THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established In 1917

March 8, 1947

RIOTING IN TAIWAN

AN EDITORIAL

London Eyes End Of Mediation

By C. Y. Hsieh

Canton Panic Eases

By Wang Dzoong-yen

U.S. Softens Reparations Policy

By Hugh Deane

SOONG STEPS DOWN

AN EDITORIAL

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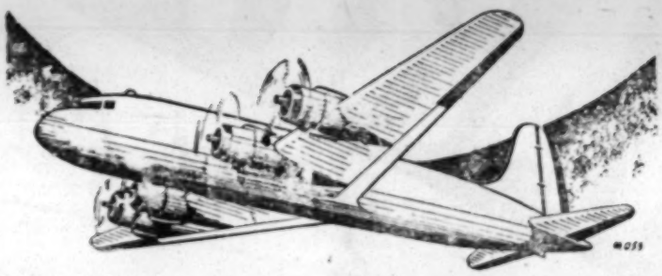

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LETTERS From The People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of The China Weekly Review.

Yardstick?

To The Editor:

In the Feb. 22 issue of the *Review* you published a letter from Mr. Lee in which he tried vigorously to find out if China is "half-civilized" or otherwise. I do not intend to step into this argument, for I concede sincerity of purpose and good conscience to both Mr. Lee and Mr. Tang.

But I *am* interested in pointing out to these two gentlemen that the opposite of "civilized" is "un-civilized," and that when we talk about people being "un-civilized" we refer to savages, barbarians, cannibals or even "human beasts."

Mr. Lee wrote that "China is behind in every branch of modern science," which I admit to be generally true. It is also a fact that we have no skyscrapers here, pitifully few power plants, machine tools, automobiles, etc., etc., which leads us to the conclusion that China, as a nation, is still far from being modernized, electrified, mechanized or motorized.

However, I sincerely hope that we young people of China will not overlook the fact that through the sacrifices and industry of past generations, we have left barbarism behind and are now on the path to a humane, reasonable, and civilized way of life.

To say that we are at best half-civilized is no less than a direct insult to our ancestors as well as ourselves.

The way Mr. Lee defined a schoolboy as only half-educated is also rather ridiculous. Was he himself not trying to measure education with a yardstick?

LAO YUAN-SHENG.

Shanghai,
February 27, 1947.

Key To Peace

To The Editor:

Though I am sorry my poor writing has occupied some of your valuable space (a letter under the heading "Good Old Cathay" in the February 1st. issue of the *Review*), I cannot but present my opinion on the present critical condition of China and the troubled world.

On January 30th, the *New York Times* in an editorial said: "The United States has always recognized China as the key to peace in the Far East." Actually, she is more than that. She is the key to peace for the whole world. She has 10,000 years of civilization, and is the elder sister of all nations.

Last year in New York, our Ambassador, Dr. V. K. Wellington Koo said that China and India are in a favorable position to promote cultural and spiritual understanding essential to universal peace. This is true. Without the Phoenicians to spread the alphabet, Europe and America would not have their present language. Without the Hebrews to spread Christianity, Europe and America would not today have their Catholic and Protestant religions. But these are the civilizations of the Near East or Western Asia. I believe that that which will come from the Far East will be much better.

In ancient times our holy people used fine methods to cultivate their persons, regulate family, manage their social affairs and make their nation tranquil and happy. Their thoughts were sincere and their hearts were satisfied. William Benton said that war begins in the minds of men. It is in the minds of men that the defenses of peace must be constructed.

In the world there is no other nation with so many books. One person may spend 400 or 500 years and not finish them. The effects of reading them are as follows: "If men are gentle, sincere and good, they have been taught from the Book of Poetry. If they have a wide comprehension of things and know what is remote and ancient, they have been

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taught from the book of History. If they are large hearted, generous, bland and honest, they have been taught from the Book of Music. If they be pure and still, wise and subtle, they have been taught from the Book of Changes. If they be cautious and modest, grave and respectful they have been taught from the Book of Rites and Ceremonies. If they suitably adapt language to that of which they speak they have been taught from the Book of Spring and Autumn Annals."

It is unfortunate that our returned students do not learn more about Chinese books before going to foreign countries. Some are rulers of China now. Mencius said: "Only the benevolent ought to be in high stations. When a man destitute of benevolence is in a high station he thereby disseminates his wickedness among all below him." We all know how much corruption we have had in official circles in China recently.

The *New York Times*, commenting on China said that after a five-month investigation, the American China Agricultural Mission has found that the fundamental problem facing China is overpopulation. The only alternative to birth control appears to be continued misery, famine and revolt of desperate men. It seems to me that the whole world should practice birth control. It is not the problem of China only. Columbus, Vasco da Gama and Cook discovered other lands because their own nations were overpopulated.

I think that every person in the world should read Chinese books, and then the world would become more civilized, and there would be no opportunity for the KMT, using U.S. Weapons, and the C. P., using Japanese arms originally captured by the Russians, to fight this fratricidal war.

I honor your editors very much as great Chinese scholars who hope not only for China's peace, unification and prosperity, but wish her civilization to be spread to the whole world for the benefit of all people.

J. H. TANG.

Chengtu, Szechuen,
February 25, 1947.

A Tribute

To The Editor:

I wish you would kindly present my sincerest compliments and respects to Miss Ruth Ingram and to the many other upright and good-willed UNRRA personnel. Miss Ingram has devoted her life to delivering first-aid to the poverty and war-stricken soldiers and civilians in this most unhappy land of ours.

While many of our politicians and warlords are responsible for the slaughter of millions of innocent sons of China, as if our lives were cheaper than the ever-cheapening CNC notes, Miss Ingram is carrying on her work of saving these lives.

What a contrast between one disciple of Life and Goodness, and the other followers of Death and Brutality! Being a selfless and courageous friend of the Chinese *laopaishing*, she has a clear and profound knowledge of what is actually happening in this country. I hope that success is awaiting her, and wish her all happiness and the best of good health.

CHANG PEI-LIN.

Shanghai,
February 28, 1947.

Foreign Students

To The Editor:

Your esteemed letter dated Jan. 20 reached me duly. I wish to thank you for your kindness in remembering my school. Sorry to say that it is not quite prosperous.

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The reason is that advanced students want to practice English with someone whose native tongue it is; as I cannot get a foreign teacher or student, they leave me. Can you think of a plan to help me, either by advertisement or an introduction? I spent 30 years helping foreigners learn the Chinese language, literature, classics and philosophy. Some of them obtained their doctor's degree through my help. I don't want to collect a fee as I have said before. What I want in return for my teaching is that they speak English to my own students studying English.

But what I want to teach the whole world is to follow Mencius and nourish our "Hou Jan Tsih Tsi"—the Vast Anterior Heaven's Breath. This kind of deep mysterious philosophy is hardly known even in China, much less in Europe and America.

Dear editor, I never expect to be disappointed; I still wish to use your paper as a textbook. I still wish to have foreign students to learn together with me. I still hope to spend at least 10 or 20 years writing for China and for the world.

G. S. SHIE.

Chengtu, Szechuen,
February 11, 1947.

Purpose Of Life

To The Editor:

Besides bread, one lives on hope—hope for a happy and secure evening of life. If this is not so, then what is the reason for living at all. I refuse to become a communist, because as such I must renounce that hope, and be contented with receiving according to my needs, and giving according to my ability. But I want my life to be sweeter than that.

I give my every effort to production, because I wish to live better than other people. No doubt, this savors of selfishness, but the Creator willed it so. The Creator never intended that we should be equal, why else should there be geniuses and half-wits, the thrifty and the spendthrift. The world could be evenly divided, only to become unequal again in no time. Such is the case, or how else could progress be made.

Theoretically, Communism is unconvincing. Practically, Stalin has more trouble with his collective farming than we know of from published records. Big concentration of wealth is undesirable, but there are more practical methods of levelling than resorting to Communism.

How is China's problem to be solved? Shall the question be put to vote, thus entailing mass movement of communist and anti-communist to designated areas? The rich and intelligent may agree, but not the poor, because they will always suffer under any regime. In that case, it is cheaper and simpler to settle the issue by the sword.

Ideologically, the Government should have a walk-over on the Communists. But, in point of fact, the sympathies of the nation are divided. Ringing in one's ears are angry protests against the graft rampant in the Government. The gravity of the predicament is not overexaggerated.

In order to survive, we must have honest public servants. They must be mere cogs in the wheel, in which position they cannot but help being honest. In fact, we must build a new Civil Service at once, staffed and equipped efficiently, to control the government machinery in Nanking and elsewhere. An elaborate system of checks, files, records, pensions and security is also necessary, if all the blueprints of national projects are to become a reality instead of so many scraps of paper. Honest state servants can only flourish under a soundly organized institution. National projects, scientific research, etc. can only be carried out under

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Crying like a voice in the wilderness, the Generalissimo puts forward his New Life movement, which, he says, propped up the nation during the war. But no credit has been given to the German general who gave us the semblance of an army of 40 divisions. He must give teeth to the movement. There can be no other starting point than the Generalissimo himself. As an individual he has done more for the country than the rest of us combined. It was he who lifted China out of the rut of Tuchun feudalism. Perhaps few other names in history were more feared than is his today. The worst of his job is over, and now he must tackle the easier problems.

He must set the ball rolling by giving a nerve center to the contemplated Civil Service, which will control the whole state organism. Let us make a start now, so that in time these beautiful lines will decorate our doorways on New Year's Eve: (國泰民安永慶昇平。)

P. T. L.

Chungking,
February 26, 1947.

Goodbye

To The Editor:

Firstly, I am sorry to say that I am unable to renew my subscription to the *Review*, and I thank you for the complimentary copy I received recently. I beg your pardon for disappointing you.

Above all, the *Review* is my best friend, and through it I have made great progress with both my knowledge of English and political opinions. I prefer reading it to *Life*, *Time* or *Fortune* or any other magazine I have seen, but my economic condition prevents me from paying CNC-$2,000. I know that this amount is nothing to the people of Shanghai, but for me the burden is too great.

With regret I say: "Good-bye, my bosom friend, *China Weekly Review*, I am an honest reader among those who do not deserve to see you, since I am so poor. If I have the good fortune, I hope to see you again some time when the *Review* may be easily read by every poor student in China."

Y. Y. W.

Shangjao, Kiangsi,
February 29, 1947.

Ditto

To The Editor:

I write this letter for two purposes; firstly to lament at the mournful news of the death of your former publisher, J. B. Powell; secondly, although I am grateful to you for sending one complimentary copy of the *Review*, I am sorry to say I cannot extend my subscription for the time being.

Since the recent "mad jump" in the price of goods, we teachers have been greatly embarrassed because our wages have been indirectly reduced to 25 percent less than before. Now we get CNC$-185,000 per month—only a little more than US$15, so we are hardly able to live.

Therefore, it is impossible for me to continue my subscription by sending you CNC$25,000; which, though a very small sum to our bureaucracy, is a remarkably large amount to me. In short, the quick fall in the value of CNC has indirectly interrupted my subscription.

I am unwilling to part from the *Review*, and I hope my economic condition will improve so that I may soon see it again. When will my hope be realized? Only when the terrible inflation stops, and there is an end to this pitiless civil war. Be this true! Be this true! Be this true in the near future!

G. C. C.

Ningpo, Chekiang,
March 3, 1947.

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Evils Of War

To The Editor:

Since the sudden recall of General George C. Marshall most Chinese have been puzzled by the startling turn of events. With his departure the American connection with the Committee of Three and Executive Headquarters has come to an end, and the United States has ceased her mediation in China.

Among the great powers none would be more acceptable as mediator among contending parties in China than the United States of America. We realize that she is our good friend, and we are confident that she does not harbor any territorial designs. But even with his tremendous prestige, General Marshall did not succeed in his mission. What a pity!

What new developments will there be in the complicated situation in China. Judging from the past, it seems that the flames of civil war will continue to rage, there will be fighting to the bitter end, and the inevitable ruin of all parties and everything in China, watched by an unwilling audience comprising the overwhelming majority of the Chinese people.

Furthermore, it will affect world peace and security. It is quite conceivable that our internal strife will lead to international intervention. One lives in constant dread that there will be an aggravation of the situation between now and the coming spring. Great interest is being shown in the Chinese scene by other powers and it is possible that the powers will discuss the Chinese situation, and even advocate joint intervention at the forthcoming Foreign Ministers' Conference in Moscow.

Except for the two contending parties, no self-respecting Chinese will tolerate foreign interference on the terms of purely selfish interest. We are dead against outside interference. I hold the opinion that the Chinese internal dispute should be solved by Chinese alone.

On January 28th more than 50 private organizations took the initiative and launched a peace movement. They demanded the immediate cessation of this fratricidal war, and hoped that the movement would be vigorously prosecuted by the people of the whole nation. It seems to be the best method of breaking the present deadlock, because 90 percent of our people condemn the civil war which is being carried on regardless of the real interests of the nation.

Some of us find it difficult to understand just what is at issue, despite the fact that the two major parties fight like sworn enemies. It is true that both claim to fight for the realization of unity and democracy. During the Sino-Japanese hostilities millions of our people lost their lives whether or not they actually took part in the war—they understood what it was about.

But now the appeals to our sympathy and assistance by the contending parties leave us cold. If the civil war should go on, the war against Japan will have been an enormous and futile slaughter. Those stirring and touching slogans born of our heroic resistance against the aggressor will become the jests of cynics. Our bright hopes for a new China will prove to be unrealizable dreams.

I am heart and soul with the peace movement. According to the founder of the republic, the people should have full political rights to carry out their wishes. We people should therefore demand that both parties lay down their arms immediately, settle their disputes without delay, sink their differences, and shake hands. That is the wish of 90 percent of the people.

I should like to point out the inevitable result of ignoring the popular demand arrived at through free and honest

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discussion. The voice of the people may now be feeble, but it is gathering momentum. Woe to those ambitious reactionaries who are destroying the opportunity of a thousand years to build a strong, prosperous, unified and democratic China, but instead drag her fair name through the mud.

Only those who listen to the increasingly insistent cry of the people will win out in the long run, while those who are bent on pursuing this meaningless war will have the devil to pay. "One false step will lead to everlasting regret," says an old Chinese proverb.

TAO CHENG.

Kunming,
February 27, 1947.

Appeal To Students

To The Editor:

Having read the article in your *Review* of March 1, under the caption "Let The Students Live,"I am full of sympathy for the youngsters if they are really patriotic, and have the welfare of China as their objective. However, I have many points to ask about whether or not they should participate in political issues that are so complicated for the young mind to understand.

1. Students of highly civilized countries very seldom stage demonstrations of a political nature, whereas in China such demonstrations are almost a daily occurrence, resulting in riots which occasionally cause deaths, the faults of which are partly due to the students and partly to the authorities.

2. Most of the students who participate in parades, especially the leaders, are not good students. This is obvious to anyone who examines their records in the schools they attend. Very few agitators, demonstrators or paraders have successful careers after leaving school. Good students are always busy with their books.

3. The valuable time wasted on political issues should be devoted to useful studies which will be an asset to China later. While they are young and immature in world affairs they are easy prey for politicos. China is far behind the world in modern Science, so why do they not utilize their valuable time in acquiring tangible knowledge in order to rehabilitate China?

4. These youngsters think the government is too corrupt and they must "save" the country. In the world's history no country has been "saved" by students. If there were, that country would not be worth its name. Those youngsters are nothing but speculators!

It is a bad omen that China produces such bitter fruits, which when tasted leave one with an uncomfortable feeling for some time. Think of the demonstrations against American marines recently. What fruits have they reaped? What must the statesmen of western countries think of us? America helped us to win the war; gave us a navy and a thousand and one services that we were badly in need of, and yet these youngsters damn the Americans. Committing the same blunder, shop-employees of Shanghai recently held meetings demanding the boycott of American goods!

It is said that the student of today will be the master of tomorrow. But how can he be the master of China when he indulges himself in strikes, demonstrations and American agitation, while he should be diligent in his studies? China is with little hope unless and until the minds of those youngsters are raised to the same level as those of western countries.

LEE YE-YUEN.

Shanghai,
February 27, 1947.

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"J. B." Powell Passes

FOR nearly 30 years J. B. Powell managed *The China Weekly Review* and formulated its policy. From its first issue in 1917 until its last pre-Pearl Harbor issue on December 6, 1941, he maintained active directorship. Following the Japanese surrender, his son, as well as the old staff, returned to Shanghai and resumed publication. From that time, until his death last week, he gave his advice and as much active help as he could.

It has been his desire and intention once again to return to China, where he had lived so long, and assume active management of the *Review*. However, a series of operations, designed to restore his ability to walk, which was completely impaired as a result of mistreatment by the Japanese, made it necessary for him to make repeated postponements of his return.

Last summer, he finally began his trip back—via Tokyo, where he was to testify against the defendants at the Japanese war crimes trials. However, during his stay in Japan he became quite ill and was forced to return directly to the United States for further medical treatment. At the time of his death he was still planning an eventual return to China.

The *Review* has suffered a heavy blow and the loss will be felt for a long time.

* * *

In spite of his ruined and failing health, J. B. Powell continued actively to support and advocate his views on United States foreign policy, in particular its position in the Pacific. He had just finished one of his speeches as guest of the University of Missouri's Alumni Association when death came. His last words, as reported in the cables from Washington, were a warning to the United States and to the new Republican Congress against succumbing to the temptations of hasty disarmament. In his last words he reminded the Republicans of their actions in 1921, at the time of the disarmament conference, an event of world importance which J. B. Powell covered as a correspondent:

> "We wrecked our fighting forces then and thought we could avoid war by throwing away our means of fighting. Today, in the Pacific, the situation has not changed—only the actors have changed.... There is no occasion for war with Russia, unless we do as we did after the first World War and scrap our fighting forces and withdraw again within ourselves."

* * *

WHEN news of his death spread, hundreds of messages began to pour in, expressing sincere condolences to Mrs. J. B. Powell and family. Among these messages of sorrow was that of President Chiang Kai-shek, who wrote:

> "In this moment of your bereavement, I wish to join my wife in conveying to you our profound condolences and sympathy. The Chinese Government and people will always remember your great husband who, throughout the last war, championed China's cause through his righteous and mighty pen."

John Benjamin Powell

Chinese Ambassador to the United States Dr. V. K. Wellington Koo, sent the following message of sympathy:

"....he died at the very moment of expressing the importance of Sino-American friendship and understanding. The whole Chinese nation will join in mourning the loss of a great friend of China."

Minister of Information Peng Hsueh-pei said:

"....At a time like this the world can ill afford to lose such a powerful, fearless interpreter of events."

Hollington Tong, adviser to the Minister of Foreign Affairs, saying that China had lost a great supporter of her cause, added:

> "It is impossible to find another friend like 'J.B.' and another advocate for China. The name of 'J.B.' will always be gratefully remembered by our people."

* * *

IN the United States, the influential *New York Times* declared that J. B. Powell had never thought of himself as a hero, while "hobbling painfully about on his crutches."

"But Japanese hatred and his stubborn American courage raised him inevitably to heroic stature," the editorial continued. "He died as he lived, fighting to the end for his convictions."

The *Times* went on: "Three years of operations to restore the use of his legs did not daunt him. From his invalid cot he threw himself into the fight for a free China, free of the Communist threat as it was finally freed of the Japanese menace.

"It was with the plea for our strong and unrelaxing vigilance in the Far East still on his lips that his tired heart failed him at last.

"No civilian in our history ever fought more staunchly for his country against greater odds. This nation can best honor his memory by holding as steadfastly to its high principles as he did."

* * *

THE local English-language press devoted editorials to the passing of J. B. Powell. They said, in part:

The *Shanghai Evening Post And Mercury:*

"J. B. Powell was a loyal friend of China. At the same time he was a good American. He had strong political convictions and at one time or another he got into various kinds of trouble because of them. Wherever one stood with regard to his ideas at any given period,

there never was a time when he did not seem personally sincere and disarming; his courage, humor and modesty in those final tragic years can never be forgotten by anyone who came in contact with him during this terrible period.

Irrespective of the position any given individual may take as to how best to help China out of her troubles, every true supporter of China and every Chinese can stand spiritually by the side of J. B. Powell in his staunch faith and conviction of ultimate victory. His name is permanently written into the record of Sino-American friendship."

The *China Press*:

The United States and China—and journalistic circles around the world—are an emptier place today, for J. B. Powell has written 30. And he wrote it in a way that all his many friends and colleagues, wherever they may be, will be proud of. He wrote it while "still in the saddle," despite the loss of both legs in a cause which he helped to make the cause of more than half of mankind.

We humbly bow in the presence of the Great Taker. Little there is to say of "J. B." that his great deeds have not already said for him, little truth there is to utter that he has not already made known, to his very last breath. "J. B." paid the price for his outspoken, fearless attacks against Japanese aggression. And in paying the price he was paying it not only for China, not only for the United States, but for all freedom-loving peoples."

The *North China Daily News:*

"He had been an outspoken critic of Japan's aggressions in China. So had many other foreign journalists, but "J. B." managed to hit home against the Japanese with such frequency and telling effect, that he was regarded by the Japanese as their Number One enemy amongst foreign journalists. It was only too plain that following Pearl Harbor and the occupation of the International Settlement that the Japanese would take their revenge, and Powell's death last week was the result. It is a matter of little concern now whether it was always possible to agree with everything which this able journalist wrote, but the opportunity must be availed of to emphasize how true a friend he was of China and how fearlessly he espoused her cause. It may be truly said that Powell has given his life for his friends the Chinese." They and all his colleagues, no matter their nationality, will regret his passing, though there is consolation in the fact that Powell by his residence and work in this country made it the richer through the sympathy and understanding which he displayed. There can be devout certainty that as the Greatest of all Editors passes upon his work it will be with well deserved commendation."

Thought For This Week

The Chih Yu Publishing Company was searched by the police five times and a large number of books confiscated.—*Lien Ho Wan Pao.*

The Hangchow *Tien Hang Pao* was suspended for one week for reprinting an article of the *Wen Wei Pao.—Shun Pao.*

Chinese papers in Peiping censored following reports of mass arrests and agitation against illegal searches.—*AP.*

Victory in war has brought China political freedom, but so far no economic stability.—*Remark by Dr. Chang Kia-ngau, incoming Governor of Central Bank of China.*

It's all in the way you look at it.

Rioting In Taiwan

A VISITOR touring the ancient city-state of Sparta once marvelled at the fact that a mere handful of Spartans were able to maintain their rule in the face of a vastly greater majority of helots—serfs. Asking a Spartan lord to explain how this was possible, the lord took out his hunting knife and, approaching a wheat field, said: "It is as simple as this," whereupon he cut off some of the heads of wheat.

"But I still do not understand", said the visitor. "Watch again," said the Spartan, and again cut off the highest heads. Still the visitors was puzzled. The Spartan elaborated: "You will notice that I did not attack the mass of wheat-heads. For what use would a knife be against them? But wherever a head was higher than his fellows, him I felled. That is how we maintain the state."

"Taiwan" means Beautiful Island. And it is a beautiful island, rich, extensive, productive. But over the last weekend, Taiwan began to assume new meaning to the Chinese people. For there the cradle of a new revolution was born. And under the baptism of fire hundreds were killed and wounded. From the island of beauty which China took over 18 months ago has grown an ugly reality.

We do not know exactly what happened. But we were not surprised that Governor Chen Yi's men had to "restore peace and order" through the use of armed might—through the use of that and nothing else. A year ago persuasion and reasoning might have worked. But not today. For the Taiwanese are beginning to reason themselves. They are beginning to see through the veil of brotherly cooperation which has been preached to them for the past 18 months.

How this came about is easy to see. When the Chinese forces first descended upon Taiwan following termination of the war, the Taiwanese hoped—many of them sincerely believed—that the Long Night was over. They knew that China, too, had experienced the humiliation and horror of Japanese rule. They felt that the Chinese, akin to them in race and history, would righten all past wrongs and establish new rights.

But as the months slipped by, the Taiwanese began to realize that mere promises would not fill empty stomachs, and mere flag-waving would not satisfy their craving for good government. From a feeling of open welcome to the Chinese, the Taiwanese assumed an attitude of sullen indifference. Like so many on the mainland, the Taiwanese saw their dreams of peace and prosperity fading. At first they blamed it on the Japs. Who didn't? But soon they realized that there must be something wrong when, 18 months after the end of the war, conditions not only failed to improve, but continued steadily to deteriorate. And it did not take them long to rationalize the situation.

Those who visited Taiwan following the termination of the war, and looked beneath the smooth surface of "model areas" saw what was coming. They realized that the Taiwanese would not merely sit around while the wealth of their island was being wasted. The Japanese, harsh as had been their rule, at least made an effort to build up an economically progressive and modern Taiwan. Chinese rule meant slipping back into the past—with petty politicians running the show, the exclusion of Taiwanese from all the high governmental posts, and soaring inflation.

Slowly the Taiwanese, who had never dreamed of open rebellion against the Japanese, began to demand states' rights. Then, as the government continued to demand greater exactions, the Taiwanese decided that even states' rights would not be enough. They began to whisper the word "autonomy." Today many of the educated Taiwanese are beginning to talk of independence. Taiwan may be cut off from the world, but there are enough educated Taiwanese who have heard of the United Nations organization and the Atlantic Charter. These men know what they want.

Interesting was the reaction of the Taiwan government to the "disturbance" which took place over the last weekend. Governor Chen Yi announced, following the shooting, that the "criminals" were being rounded up and would be put on trial immediately. Just who he assumed to be the "criminals," we wonder. But in any case we are certain that the "criminals" in his eyes were not criminals in the eyes of the Taiwanese. And where the people do not see eye to eye with their rulers, there no peace can dwell.

The Taiwanese are docile people—docile until, like even the weakest animal when it is cornered, they realize that there is no other way out for survival but to fight. And, unfortunately, that is how more and more Taiwanese are beginning to feel today. And they will go on feeling that way until Taiwan becomes more than a personal hunting preserve for small groups. "Carpet-bagging" on a hitherto unprecedented scale is going on in Taiwan. The Taiwanese are not blind. They know who their friends are.

Nor does the entire blame lie with Nanking. For the plain truth of the matter is that Nanking does not always know what is going on in Taipei. This does not mean that the Taiwanese people have autonomy. It only means that the government in Taipei has the autonomy, being responsible neither to the people of Taiwan nor, to

any great extent, apparently, to the government in Nanking.

If China desires to find in the Taiwanese a big "helping hand," then they have got to make an investment of good government, paternal rule and understanding. From nothing, nothing comes. And from misrule only misfortune can emerge. The handwriting can already be seen on the Taiwan wall. Action must be taken immediately, if the evil omens are not to materialize into even bloodier insurrection.

We fear that there will be a magnificent job of "covering up" the Taipei revolt. It will all be blamed on the Reds, if we are not mistaken. The "disturbances" will be credited to Yenan agents and the Taiwan government will be vindicated of blame. Perhaps there are Communists in Taiwan. But you cannot get an empty-handed people to battle with well-armed police—unless they have a cause. And so long as you give the people cause to rebel, you are inviting your enemies to take advantage of the situation. Blaming the Communists will not, however, righten a wrong. Nor will it promote understanding between the Chinese administration and the Taiwanese people.

The national government is undergoing a process of reorganization at present. And there is certainly need for such a reorganization. But if there is reorganization needed in the government at Nanking, then certainly it is needed tenfold in Taipei. The Chinese government should remember, in dealing with Taiwan, the wisdom of the ancient sages:—

"It is later than you think."

Modesty Best Policy

Dr. Synghman Rhee, Korean political leader, issued a statement in Washington, in which he declared that if the Korean people call on him to be their president it would be "but a further expression of their determination to possess the blessing of human liberty and independence."—*UP.*

Soong Steps Down

IF the resignation of Dr. T. V. Soong from the presidency of the Executive Yuan came as no surprise, neither did the taking over of the post by Generalissimo Chiang Kai-shek. For the one was a confession that Soong could no longer stand up against merciless criticism from all quarters, which lately had become mere criticism for the sake of criticism. The other was a confession that no single man in China could take over the Premiership on his own and hope to survive for long. It was one way of confessing that Soong had tackled unbelievanle odds, single-handed, and that when he failed he proved that no one else could succeed.

Dr. Soong, in the eyes of the Chinese people, came to represent, during the past year, two characters:—

1) To his enemies Soong was the soul, the personification of those forces which transformed one of the greatest victories in Chinese history into one of the most dismal defeats. In their eyes Soong was the author of China's misery.

2) To his friends, Soong was the man who, outvoted and out-shouted by his foes, continued to hold the financial fort single-handed, managing to maintain even the present modicum of financial order out of sheer chaos.

The truth, as always, lies between the two extremities. Dr. Soong did, undoubtedly, commit blunders. His export subsidy plan was stillborn, and before a few weeks were out had been hacked to bits until the child of Soong's fertile brain was no more than a mangled mass. But one error does not, and cannot, wipe out previous victories. Guiding the finances of a government which spends half its budget on waging a war, at a time when no foreign help is forthcoming, and still managing to maintain the national currency at *some* recognized level, is something which only theorists can criticize. Practical men will realize that Soong, under the circumstances, did a job which few others could have performed.

The fact that President Chiang has himself assumed the office of Premier is mute testimony to the fact that no single man was willing, or capable, of shouldering Soong's former burdens, confident that he could survive in the melting pot of partisan and group policies and criticism that is Nanking today. Soong's strength—and weakness, as was to be proved later—lay in the fact that he was, first, last and foremost, an individual guided by his own better judgment and unwilling to follow blindly any preconceived notion.

This gave him strength, for he had to answer to no political theorists. He could maintain his independence and change his policies as the occasion demanded. At first this was an asset. It became a liability when, under the impact of mounting criticism, Soong found himself holding the financial breach alone. There was no well-organized group to back him up—no party caucus to give him support at a time when he needed that support most.

Gen. Chang Chun, leader of the progressive, liberal Political Science Group within the Kuomintang, will be in the opposite position. He will be able to count on the unqualified support of his sub-party. But he will also have to bow to the wishes of his backers. He will only be as independent as the Political Science Group desires him to be. That is the difficulty of his position.

We recall in Chinese history that the people rejoiced when a "rascal emperor" was driven from the kingdom. The youngsters would leap with joy at the news that the "usurper" had been ousted. But the old men only shook their heads. For they knew that in politics only the end counts. We will take our stand with the old men. We too have criticized Soong in the past. But that did not imply that we believed him to be basically, fundamentally wrong. And perhaps his successor—or successors over the next few months—will prove more able, more successful in turning the tide of inflation, civil war, a mounting deficit. Essentially their problem will be the same as that faced by Soong. Perhaps they can succeed.

But until they do, we will reserve out opinion. We will say that despite his failings, Dr. Soong did accomplish something, in the light of the present, a great deal—he kept things going. It remains to be seen whether his successors will be able to do likewise.

Strike Wave Spreads

Li Ching-pao, personal chef of the British Consul-General refused to cook for him for the past three days in protest against low pay. Li said he was not given the CNC$73,000 allowance as provided in the newly promulgated wage scale in lieu of the living index adjustment.

Indignant over the cook's action, Mr. Ogden referred the case to the Social Affairs Bureau for mediation. The bureau ruled that the cook is to receive the CNC$73,000, upon signing a letter of repentance.—*Shun Pao, March 5, 1947.*

China's Border Provinces

FOR the past several years there have been intermittant reports from China's various border provinces and almost always they have described local dissatisfaction with the Central Government-appointed administration. Often they have told of open rebellion.

Outer Mongolia was at last lost to China and has now become an "independent" state. Now there is trouble in Inner Mongolia. Tibet, for all practical purposes, is no longer part of China. Meanwhile, latest reports from Sinkiang, Sikang and even Yunnan describe peasant uprisings, "banditry," etc.

Unless the Government is able either to win the people in the border provinces back by a modification of policy, or to effectively suppress them by force, it seems only a question of time until China is reduced in area to what is commonly referred to as "China Proper."

An outstanding example of the state of affairs often prevailing in these border provinces is the current rebellion in Sikang where, despite the use of modern weapons, including airplanes, by Government troops, the "rebels" have captured Yungching Hsien and Tienchuen Hsien and are threatening Ya-An (Yachow), center of the opium trade in the province. The current rebellion began with the Government campaign, launched almost a year ago, to stop poppy planting.

A recent *Ta Kung Pao* editorial, discussing the situation, said: "We have no sympathy with poppy planters, and much less with the Government in its suppression campaign. The Government pays no attention to the shady local politics, the complexities of social and racial problems, but instead insists that it is a rebellion which must be put down by armed force. No other step could have been more stupid and dangerous....

"We of course agree that opium must be eradicated, but the livelihood of the Lolos (and other minorities) must be improved too. The maladministration must be stopped and all the races in Sikang must be accorded the same freedoms and rights."

The editorial goes on to blame the administration of Liu Wen-hui, who has been governor of Sikang for 20 years, for much of the province's troubles. The editorial further states that the people of the province cannot alone be held responsible for the development of the poppy industry, saying "everybody knows who has permitted and even ordered the planting of poppies in Sikang."

Regardless of the correctness of the *Ta Kung Pao's* charges, it is evident that conditions in Sikang today certainly do not reflect any credit to the Central Government or to the nation. This type of conflict, which unfortunately happens all too frequently in virtually all of China's border provinces, will certainly result in the loss of these areas to China.

Pat Hurley's Paradox—

YOU can't keep some men down. Nor can you keep a gag on some of them. To those who thought that he had been silenced after his "China adventure" old Patrick Hurley must have caused quite a stir the other day by declaring, anent the proposed American loan and military support to the Tsaldaris regime, that the United States government "is wrong in pulling out of China or it is wrong in entering Greece."

And one need not weigh the fact twice over to realize that Hurley hit the nail on the head when he considered Greece and China in the same boat. Gen. Marshall, when he quit China, declared that there was no outside aid being given the Chinese communists. Others have said the same thing about the Greek partisans. Tsaldaris has been attacked by the Greek liberals in Athens for refusing to erect a truly constitutional, representative regime. The Greek liberals have been side-tracked, silenced by the powerful Populist party of Tsaldaris. The same, to an impressive extent, is happening in China.

What, then, are the reasons for United States willingness to pull out of China, only to dig right in in Greece? Gen. Hurley wants to know. Almost every American Chinese and Greek, of whatever party affiliation and political belief would like to know the same.

If the United States is willing, openly, to support the Athens government in order to "keep the Reds out of Greece," then why has it refused to back Nanking in order to "keep the Reds out of China." Could the explanation be that the U.S. can see Communists in Greece but cannot see Communists in China. Someone, somewhere, seems to have his sense of values confused. Or is it to be assumed that the left hand does not know the right hand in the State Department.

But there is still another explanation—that Washington has got to rescue Britain from the Balkan quagmire created by giving Tsaldaris too much rope with which to hang his political opponents. If that, indeed, is the reason for the State Department haste to back up the Athens regime, then why not send doughboys into Palestine, India and Egypt, where Britain's structure of empire is beginning to topple. The United States only made Britain a loan. It did not, and could not give Britain a blank check with the understanding that Britain could make as many commitments as possible so that when she found herself unable to pay up, the United States would be ready, willing and able to take over.

Obviously the insistence of the State Department that aid be rushed *post haste* to Athens demands some explanation. For if the United States were to pursue a policy where so-called anti-Communist parties all over the world were to receive financial support, such support would have to be furnished from Spitzbergen to Terra del Fuego, and from Iberia to Brazil.

One fact that has so far been overlooked is that the United Nations Balkan Inquiry Commission which should be able, after all these weeks of probing into Greek affairs, to say whether or not the Soviets have been financing the Greek partisans has not yet issued its report. In other words, the United States is judging the situation in Greece on its own information, and according to its own bias, without waiting for the international investigation to bring forward the results of its findings.

It seems to us that the entire question of American aid to foreign regimes should be settled once and for all time. America may be out to assume world leadership. But such leadership must have its limits. For decades American blood was shed over who should, or should not, control the Latin American governments. Then a "Good Neighbor" policy was evolved which resulted in non-intervention and the stifling of "gringo" imperialism south of the Rio Grande.

The time has come for the United States to work out a "Good Neighbor" policy on a wider scale, delimiting its commitments abroad, and establishing certain principles to guide it in its foreign affairs. There has been a certain degree of paradox and "muddling through" on the part of the State Department. But never has the issue been so clear cut as in the case of Greece and China.

There may be many who are more naive—we could use a stronger word—than Pat Hurley. But these are few and far between. The majority of people, not only in the United States but all over the world, see things the way he does in this instance—on a factual, not theoretic basis of truth.

25 Years Ago In Millard's Review Of The Far East

March 11, 1922.

Poppy Planting

The recent issue by the Ministry of the Interior of a circular order threatening the dismissal of any governor whose province is found to have been planting poppy indicates the seriousness of the opium situation in China. Quite a number of high commissioners appointed by the President to investigate whether the poppy is cultivated in various provinces are touring the country and sending reports to Peking containing their findings. There their duty ends. From these reports the government has concluded that, with the exception of several provinces, the poppy is found growing almost everywhere in China.

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Joffre Visitor

Marshal Joffre, one of the most picturesque figures of the late World War whose stand at Verdun caused a remaking of the history of Europe in the name of modern civilization, has come to China after visiting Japan and other lands of the Extreme East. Throughout his tour he has been the guest of honor of the various Oriental nations and, incidentally, has suffered the rigors of Oriental entertainment and hospitality. His popularity is spreading in the Far East as it did in the United States and the principles for which he stood, and still stands, are attracting much favorable comment from the Chinese press.

10 Years Ago in The China Weekly Review

March 6, 1937.

Economic Conditions

The annual report of the Shanghai Power Co. for 1936, issued this week, gives encouraging proof of the business revival in Shanghai during the past year. Nearly all of Shanghai's vast industrial establishments depend on the company for their power requirements and the output of electricity furnishes a reliable barometer of economic conditions. The total generating station output in 1936 was 812,507,000 kilowatt hours, representing an increase of 46,601,000 kwh. over 1935, and 11,655,000 kwh. over the maximum output in any previous year.

* * *

Extraterritoriality

The Ministry of Justice this week issued orders to the Chinese courts to take jurisdiction over cases against Spanish citizens owing to the fact that there is no Spanish diplomatic and consular jurisdiction in China at present. This means that Spain has lost her extrality rights in China, at least temporarily.

ARE THE WORKERS IN CHINA DIVIDED?

By CHU HSUEH-FAN

PRIOR to the Sino-Japanese War, workers in China were divided by their inability to build a strong labor movement, because of the civil war which began in 1927. The opportunity to develop a deep sense of comradeship came with the national struggle ten years later.

In answering the call to save their country from annihilation, the workers from both Kuomintang and Communist areas found themselves striving for a common goal. The strength and confidence which they drew from each other created a desire to continue to struggle together for their economic rights and for the development of their country when the war was won.

The Chinese Association of Labor, which has been concerned with the problems of Chinese workers since it was founded in 1935, has tried to find ways and means of coordinating the strength of all workers in their common cause.

Effect Of War On Workers

When the Japanese war broke out, many industrial workers in ports like Shanghai, Tientsin and Canton left their jobs to become guerrilla defenders of their native villages, while others undertook the dangerous tasks of spying on the enemy and frustrating his plans. In Shanghai, worker guerrillas, composed of mechanics, postal employees, textile workers and taxi-drivers, organized themselves to render assistance to the Chinese army.

In Central and West China, workers in munition factories prolonged their hours of labor to increase production. Along the Yangtze River, wharf coolies and boat crews, exposed to constant bombing, rescued wounded soldiers and refugees, removing them from the front to places of safety.

Workers in unoccupied China put up new factories for war industries. They built airfields and opened up the famous Stilwell Road in the midst of jungles and barren mountains. They broke down barriers between Szechuen and Shensi by building a motor road around the snow-capped Chinling Mountain. With primitive tools, instead of machines, they built communication lines linking different parts of China and contacting India.

Thousands of men and women coolies with small iron mallets broke the stones for the huge runways of the giant American B-29 airdromes in Chengtu. Under the constant bombing of Chungking, munition-makers accelerated their war production in dark, mud caves and ill-ventilated dugouts.

Workers in wartime faced government regimentation—increased working hours and wage restrictions. Though the government tried to enforce price control to meet wartime needs, it was not at all effective, due to the prevalence of the black market. As a result, workers lived in more pathetic conditions than in prewar days. The government also imposed upon them regulations controlling the functions of trade unions.

Understanding that it was their duty to win the war, the workers submitted to this abrogation of their rights and endured these hardships without resorting to strikes. They fully supported the government slogan, "Speed up production in Free China and slow down production in Japanese-occupied territory."

CAL Unites Workers

The aim of the Chinese Association of Labor, founded in Shanghai in 1935, was to build up an independent labor movement that would guarantee to workers social justice and human rights. During the twelve years of its existence, it has tried to establish the right of collective bargaining, has helped to organize labor unions and has provided welfare centers for workers and their families. The Association has won for Chinese workers the recognition and support of trade unions in other countries. The writer, appointed president of CAL by the government, has been the workers' delegate to international labor conferences for the past 10 years and is now the vice-president of the World Federation Of Trade Unions.

The American Labor Fund in Aid to China has enabled the Association to run welfare centers in some of the important cities of the interior, such as, Chengtu, Chungking, Sian, Kaifeng and Paochi. In each center, there is a health clinic which gives free medical care, an auditorium, bathhouse, barbershop and reading room. A mass education program, recreational activities and an employment service are carried on. Nurseries in Chungking, Chengtu and Paochi afford free care and feeding for the children of workers.

After the surrender of Japan, there was everywhere in the world a strong demand for democracy and lasting peace. Since workers in all parts of China had shared the same fate in the war of resistance for eight long years, they are united in their demands for the fruits of victory. Workers all over the country would like to enjoy the rights that citizens of democratic countries enjoy, such as the right to voice their opinions through trade unions. They cherish one hope—the guarantee of a decent standard of living.

United Front

To achieve their goal, workers in the Kuomintang Areas and their fellow-workers in the Liberated Areas wanted to pledge loyalty to each other after V-J Day. At that time, negotiations to formulate a sound basis for a coalition government were going on in Chungking between the Kuomintang and Communists. To break down the barriers, created by government propaganda between workers in the two political areas, the Federation of Trade Unions in the Liberated Areas submitted an eight-point platform to the Chinese Association Of Labor, which until this time had represented the labor movement only in the Kuomintang Areas.

On behalf of the workers in the Kuomintang Areas, the CAL, incorporating these eight points of the Liberated Areas, formulated a platform of 23 points, which is appended to this article. On the basis of this platform CAL recruited members throughout China. Nine hundred thousand workers of the Liberated Areas joined the Association in 1945. At last, workers in both areas were coming together to attain their goal.

To further such unity, representatives from both areas attended the meetings of the World Federation Of Trade Unions both in Paris in 1945 and in Moscow in 1946. For the first time in China's history workers were closely knit in spirit and in action. A real comradeship was born among them.

Warnings From The Past

From their experience between 1925 and 1927, the workers had learned that the labor movement should be independent of party machinery. In 1924, under Dr. Sun Yat-sen, the Kuomintang policy was to work with Chinese Communists and the USSR. At that time, workers were able to organize themselves into trade unions under the leadership of the revolutionary Kuomintang. The labor movement spread from Canton to Hankow and then to Shanghai and North China, keeping pace with the revolution. Workers were told that with the overthrow of the warlords would come independence from foreign domination and democracy for the common people. Demonstrations and strikes of that period were filled with political implications in line with the Revolution.

In 1927, as a consequence of the annihilation of the Communists by the government set up by the Kuomintang at Nanking, the labor movement was driven underground. Many labor leaders were arrested and killed, some went into exile, but a few became high officials of the victorious Kuomintang Government; some of them are still being used to oppress labor.

Trade unions were disbanded; the labor movement was broken up. Even during the 1924-1927 period, labor unions were in the hands of a few party leaders, not chosen by the workers. Since then, workers have realized that the labor movement should not be party machinery used to achieve political aims only. Workers have become very skeptical of government policy. In 1932 it was clear to them the labor law passed at that time was an attempt to control labor rather than to give them the right of collective bargaining and the right to strike. A de-

sire for an independent labor movement steadily grew.

When the workers in the two political areas openly joined hands in 1945 by holding membership in the CAL, they stated specifically that the labor movement to be developed in China should be free and independent of either party.

Government Fears Labor Unity

When the workers came together during the political negotiations in the autumn of 1945, they felt they were strong enough to be articulate. They declared that the China which had emerged from the long years of war must be a democratic, independent and unified country. In January 1946, they pledged their support to the resolutions of the People's Consultative Council in which labor rights were included. They hoped that the end of the Sino-Japanese War would bring peace and liberty, and that wartime restrictions would give way to freedom of thought, speech, action and association.

The coming together of workers of the two political areas implied the deep desire of the Chinese nation that the people of the two areas should be given a chance to have free communication and comradeship. Contrary to the expectation of the people, by 1946 they found themselves in a state of civil war in which they were expected by the government to use arms against those with whom they had been fighting as comrades during the past eight years.

Governmental Abuse

Not only the workers, but the whole nation is bitterly against the civil war, even many of the Kuomintang troops, as shown by the frequent mass surrenders. However, the reactionaries of the Kuomintang are determined to put on the shelf the resolutions of the People's Consultative Council and to wage civil war against the wishes of the people. In order to maintain this war, they are ready to use all kinds of methods to quiet the voice of the people, and to rule out any possible opposition. Workers must be kept in subjugation; free labor activities must be suppressed completely. The government has openly outlawed strikes and demonstrations; it also has installed a system of control in factories. Teams of 15, called "Protecting Workers' Groups", were selected to pass themselves off as workers in factories. Their job is to watch carefully the actions of individual workers and to make reports to the secret police. These spies are supplied with arms.

In order to make sure that workers in China cannot be of any harm to the governing party, the KMT has chosen to attack the Chinese Association Of Labor which is the symbol of unity among workers. It repeatedly has dealt severe blows to the CAL, starting in February 1946 at a mass meeting in Chungking, called to celebrate the PCC resolutions. Several CAL members were beaten up by the government spies and the president of the CAL was accused of being "a disturber of public peace and safety." A stronger blow was the forced occupation of the CAL premises of Chungking and the illegal arrest of its personnel in August 1946.

Government Pressure

Following this "Chungking Incident," the government continuously pressed the issue that the CAL should exclude the trade unions in the Liberated Areas from its ranks. It is apparent the government desires that the CAL should be used to represent the labor movement in Kuomintang China as in the past. The open opposition of the workers to government suppression of labor was made clear when the CAL refused to yield to the demands of the Government.

To bring further pressure to bear on the CAL, the government planned open arrests of its personnel, including myself as its president, on trumped-up charges. In November 1946, the government took over the CAL, converting it into a tool to suppress labor. At the time of this "reorganization," I, having fled to Hongkong to escape government arrest, was injured by a motor car in an obviously pre-arranged "accident".

In crushing the CAL the government was sure that the workers would be weakened, disunited and prevented from opposing the government. Workers are no fools. The successive attempts of the government to break their unity actually have strengthened the ties between workers in the two areas. Though the CAL is nominally in the hands of the government, the stand taken by me and other trade unionists in exile against government attacks on them has caused the workers to rally their hopes around us, and to have faith in the continuance of the struggle for a united and free labor movement in China.

* * *

The 23-Point Platform of the Chinese Association Of Labor

1. The fundamental human rights, which President Chiang guaranteed to protect, namely, freedom of speech, religion assembly, residence, association, and correspondence, should be realized promptly.

2. A freely-elected National Assembly should be convened; the number of workers' representatives should be fixed explicitly.

3. The basis of the Government should be broadened to include representatives of all political parties and prominent democratic social leaders on an equal footing by effective means.

4. The causes of civil war should be eliminated entirely; all troops should be nationalized.

5. All corrupt officials and traitors should be strictly punished; war criminals should be condemned, enemy troops should be disarmed and repatriated as quickly as possible; all puppet troops should be disbanded.

6. The spheres of private and government enterprises should be regulated according to the first stage of economic reconstruction; private enterprises should be encouraged rather than government enterprises.

7. All enemy and puppet estates should be confiscated; all kinds of industrial production in the Japanese-occupied Areas should be restored immediately.

8. The land problem should be settled immediately; farm rent should be reduced; usurious loans should be prevented. All oppression of farmers by unlawful officials should be stopped; the living conditions of farmers should be improved; the system of "he who works the soil also owns it" should be realized.

9. The present Trade Union Act should be amended; regulations restricting workers should be repealed.

10. All workers, including arsenal workers, should have the right to organize; nation-wide workers' organizations should be officially recognized.

11. Workers should have the right of strike, of demonstration, and of collective bargaining.

12. Workers of government enterprises should have the right to participate in administration.

13. A system of Labor and Management Committees should be adopted in order to harmonize relationships between employers and employees.

14. Workers should have the right to work; the government should have a thorough plan to guarantee full employment.

15. The minimum rate of wages should be fixed according to the cost of living index of each place; and the principle of equal pay for equal work, without sex discrimination, be adopted.

16. The welfare of workers should be bettered; factory inspection should be carried out with a view to improve safety and sanitary conditions.

17. Women and child workers should be protected; night work should be strictly prohibited; vocational education for young workers should be supported by the employers, and women workers should be permitted to have leave for childbirth with full pay.

18. The contract labor system should be eliminated.

19. The maximum working week for the time being should be 48 hours; all workers should be entitled to have certain holidays with pay.

20. Vocational and technical education for workers should be promoted and the old apprentice system should be abolished.

21. A system of social insurance, such as old age insurance, industrial accident compensation, should be established.

22. All temporarily unemployed workers should be given relief, and their employment guaranteed.

23. Compensation for workers or families of workers who were wounded or killed in the war should be put into effect at once.

* * *

Liberated Areas' Program

The eight-point platform of the Liberated Areas was:

1. A peaceful, united and democrtic New China should be established.

2. All corrupt officials and traitors should be strictly punished; all puppet troops should be disbanded; all enemy property should be con-

Truth Urged As Highly Preferable To "Polite Official Language"

By CHARLES J. CANNING

ONE of the baffling difficulties which most foreign newspaper correspondents and political observers have experienced in following the developments in China has been the alarming discrepancy between words and deeds and between theory and practice in Chinese politics. This discrepancy is all the more appalling by Western standards. As a matter of fact, it has come to be a stumbling-block or even a trap for green outsiders.

It has often happened that a plan appeared quite imposing and comprehensive on paper, but did not work at all in actual practice. It served nothing more than window-dressing purposes. Worse still is that the plan was one thing and its execution was quite another. If inexperienced observers are so naive as to take the plan at its face value without taking the trouble to find out how it works the chances are that they will draw wrong conclusions. Or to put it more bluntly, they will get laughed at as soft, blankety-blank fools.

Pretty Prattle

Chinese government officials are good speakers. At least I think they are. Their public utterances are invariably couched in elegant, dignified, high-sounding terms and make pleasant reading on the surface. But just as physical beauty is but skin deep, so many of these beautiful utterances do not bear examination. If you look into them more closely you will see for yourself that they are just so much prattle or sheer tommy-rot.

The Chinese officialdom has a peculiar way of saying things. Instead of calling a spade a spade and speaking to the point, they prefer to beat about the bush and talk nicely and reservedly. Government officials seldom mean what they say. Nor do they say what they really mean. Plain speaking is said to be against the rule of conduct for government officials. Sometimes, they talk an awful lot without saying anything at all. They try to be all things to all men and hope to please every body and offend none.

"Official Language"

To say in Chinese that a person is "talking the official language" is really a polite, diplomatic way of saying that he is lying in his throat. Therefore it requires a great deal of practical experience, background information and right-on-the-spot observation to enable one to distinguish the truth from the falsehood and to determine what one is to believe, what has got to be taken with a grain of salt and what is to be dismissed as pure nonsense.

A case in point is the issuance of big denomination banknotes before the Chinese New Year. Rumors had been persistent for some time to the effect that the government authorities were contemplating issuing big denomination notes of the face value of CNC$5,000 and CNC$10,000 respectively.

Responsible officials of the Central Bank of China categorically denied such rumors and sharply dismissed the rumor-spreaders as mischief-makers and calamity howlers, who were said to be bent on undermining public faith in the national currency and thus creating a financial panic to serve their ulterior political purposes. Government papers joined the hue and cry and printed editorial after editorial in which the rumors were branded as malicious fabrications and the public was warned against the rumor-mongers.

Denials Emphatic, Empty

Even as late as the day before the CGU notes of 250 and 500 units (equivalent to CNC$5,000 and CNC$-10,000 respectively) were actually placed in circulation in the market, a top-notch official of the Central Bank in Shanghai continued to deny the rumor, arguing that at the very time when the National Government was doing everything in its power to stabilize prices in anticipation of the lunar new year it would be absurd and ridiculous to issue big denomination notes, which would inevitably have the effect of bringing about sharp fluctuations in commodity prices and thus defeating the painstaking efforts of the government.

"Can anyone imagine that the government authorities are so stupid as to cut off their noses to spite their faces?" the official asked.

This line of reasoning sounds fairly convincing and carries some weight. Judging by the flat denials the responsible officials of the Central Bank and of the Ministry of Finance, one would have thought that the National Government was not going to do any such thing, at least for the time being.

But facts are stubborn things and they are more eloquent and convincing than beautiful oratory. The next day, the long-rumored CGU notes were issued for circulation. In reply to questions, the spokesman for the Central Bank hastily backed up and tried to explain with extreme difficulty and considerable embarrassment that the issuance of these notes was necessary and would save the public the great trouble involved in carrying dirty small denomination notes. It was emphatically pointed out, just as emphatically as he had made the denials before, that prices of commodities were not likely to be affected, because they had been already stabilized.

Right-About Face!

What was originally branded as "absurd," "ridiculous" and "stupid" suddenly became necessary and desirable overnight. And as by magic, commodity prices were stabilized within 24 hours.

This reasoning is really pretty hard for the Western mind to understand, The conclusion must be that either the spokesman did not know what he was talking about or he was lying like anything. In other words, he was either a plain fool or a bare faced liar. In this case, one is just as bad as the other.

This discrepancy between words and deeds has done much more than anything else to discredit the government in the eyes of the people. For as President Lincoln has well said: "You can fool some of the people all of the time and all of the people some of the time, but you can not fool all of the people all of the time." The Chinese people have been bamboozled a large part of the way, but they cannot be bamboozled all the way. They have learned from their bitter experience that, in the final analysis, it is deeds, not words, that count.

As the proverb says: "Example teaches better than precept". It is to be hoped that the government authorities will take the people into their confidence and tell them the truth, the whole truth and nothing but the truth, if the popularity and the prestige of the government are to be maintained.

Let the people know the truth and the country is safe. This Lincolnian dictum is as applicable today as it was when Lincoln uttered his immortal words.

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fiscated; all puppet labor unions should be dissolved.

3. The fundamental human rights such as freedom of organization, speech, press should be realized promptly. Workers should have the freedom of organizing their own labor unions.

4. Long hours of work in factories should be prohibited; the maximum working week for the time being should be 44 hours.

5. Apprentice system should be abolished; an apprentice should be paid according to his ability. The principle of equal pay for equal work without sex discrimination should be adopted.

6. Workers should have the right, to participate in the political life of the nation.

7. Free education for workers should be adopted to get rid of illiteracy among the workers.

8. In order to develop industry and to restore normal economic life in postwar China the proficiency of workers should be increased.

An American adviser to the Kwangtung Provincial Government declared that he was contemplating the establishment of tung oil factories in Kwangsi Province in order to boost China's output of tung oil and expand her export trade, the *Ta Kung Pao* reported. The figure required for investment as capital is US$4,500,000 and it is said that plans have already been submitted for consideration of the U.S. Export-Import Bank.

* * *

The British Government has withdrawn another US$100,000,000 of the Anglo-American loan, according to the U.S. Treasury in Washington. This brings British withdrawals to a total of US$-900,000,000 out of the US$3,750,000,000 provided for under the agreement. British officials declared this to be a routine withdrawal to be used mainly for food purchases.

U.S. WITHDRAWAL FROM MEDIATION

As London Sees It

By C. Y. HSIEH

(Special Correspondent, The China Weekly Review)

London, Feb. 19.

THE concrete measures which the American Government recently took to implement its policy of withdrawal from mediation in China have provided an occasion here for assessing this policy in clearer terms than have so far been forthcoming. Following the issuance of General Marshall's statement on his unsuccessful mission to China early in January, there was a tendency in London to suspend judgment. This reticence was neither new nor surprising in Britain's post-war disposition to embarrass as little as possible American leadership in Far Eastern affairs. It was, if anything, reinforced by General Marshall's almost immediate transfer to the State Department, so that beyond the expression of the hope that the new Secretary of State would continue America's bi-partisan foreign policy, little of moment was said.

Since then a month has gone by—a month which in keeping with its place in the year, saw some new if unspectacular departures. There were, just to mention a few, a fresh attempt at Anglo-French entente, the curious correspondence between Generalissimo Stalin and Mr. Bevin, the signing of peace treaties with Germany's former satellites and a noticeable easing of the situation in eastern and southeastern Europe, and other lesser signs of reorientation all round. Moreover, February is a good deal nearer to March than January and the approach of the next meeting of the Big Four in Moscow compels a sorting and straightening out of issues, of which the Chinese question conceivably is one. It is in this context that the clearer reaction here to the American policy of withdrawal must be viewed.

2 Questions Posed

The questions which the British press has sought to answer are mainly two, namely, first, whether the new policy was due to General Marshall's initiative and, secondly, what effects it was likely to have on the warring parties in China.

On the first question opinions differ, the *Economist*, for instance, seeking to dissociate the policy with General Marshall. "It was," says this journal, "a decision due neither to the ordinary process of policy-making in the (State) Department nor yet to any general political views of the new Secretary of State, but to General Marshall's recent direct personal experience of mediation in China. His experience clearly convinced him that mediation was useless and was only making the Americans unpopular in China. Although the withdrawal of the Marines is an act of policy which has long been demanded by leftist circles in the United States, . . . General Marshall should not be assumed to have taken his decision out of any sympathy for the Chinese Communists. At first sight Chiang Kai-shek's Government may appear to have been weakened by a withdrawal of American armed support, but it is by no means certain that he does not in reality gain politically from the move."

Arguing that this removal of a main source of Sino-American ill-will would take the wind out of the sail of Communist propaganda, against the U.S. and the Nanking regime, the paper concludes: "Now that the American forces are being withdrawn and the Chinese soil is left once more to Chinese armies to fight over—for the Russian troops have long since departed except from Port Arthur and Dairen—both the Kuomintang and the United States gain in reputation with the Chinese public from their formal divorce."

New Statesman Differs

This view is not shared by the *New Statesman* and *Nation* which regards the withdrawal as "the first fruits of General Marshall's policy as Secretary of State" and the ending of the truce teams' mission a prelude to an attempt at striking a bargain with President Chiang Kai-shek. This is that "in return for purging his government of right-wing reactionaries and forming a government that can more nearly be called national, American economic help and political support will be promised."

This journal is, however, aware that General Marshall is by no means complete master of the bi-partisan policy and refers to the recent advocacy by Senator Vanderburg of unreserved support to President Chiang. It therefore warns that "unless this split in American policy can be closed, the Generalissimo should not find it difficult to play off the two American camps so as to get the sort of government he wants."

Britain's Future Role

In view of the revision of the American policy, the question naturally has arisen: What line should the British Government take in China? One school of thought, best represented by the liberal *News Chronicle*, regards the present deadlock in China as a good opportunity for Britain to play a more positive role there. Taking the impasse between the Kuomintang and the Communists to imply also that between the United States and Russia, it sees the only way out in a bold lead by the more moderate elements, such as the Democratic League, in China's domestic scene and active mediation by Britain in the international sphere, without, however, quite establishing the identity of interests between these two sets of influence.

Another school of thought is for a downright redressing of the balance in China by giving more encouragement to the weaker side, the Communist Party, as advocated recently by the Labor peer Lord Lindsay. This line has, however, met with much opposition and the *Times* is especially vehement in rejecting his advocacy of "Big Three" intervention and the dispatch of a British representative to Yenan.

Stating that intervention in China's domestic politics would not help matters, it takes the view that any manifestation of dissatisfaction with Nanking would aggravate the ills from which China is suffering. It declares that "the division between the Chinese Government and the Communists now runs so deep that there is no prospect of a coalition administration and the indications are that China's unity cannot be achieved except by the process of political and military attrition."

Assistance Discussed

"This prospect" continues the *Times*, "is deplored by all of China's allies, but it seems to admit of no remedy except at the hands of the Chinese people themselves. General Marshall has announced the impossibility of successful mediation. Acceptance of this fact must therefore form the basis of British policy as well as American."

"Britain," the *Times* suggests, "can join with America in affording to China the kind of assistance which does not carry with it the risk of economic or political domination and can place at her disposal the experience of social organization acquired in a policy intermediate between capitalism and communism."

This non-partisan aid, the public here seems agreed, is the only practicable thing at the moment. If it reflects caution not to rush into a highly entangled and dangerous situation, it also leaves the door open for a more constructive move under changed circumstances.

The change, it is felt, may well come with the Moscow meeting of the four Foreign Ministers in March. Already some of the leading journals have forecast the possibility of a fairly comprehensive agenda for compromise between East and West that goes beyond a settlement of the future of Germany. The *Sunday*

Kaifeng Fears General Economic Collapse As Hostilities Resume

By DUNCAN LEE

(Special Correspondent, The China Weekly Review)

Kaifeng, Honan, Feb. 15.

FOLLOWING General George C. Marshall's departure, in the wake of his failure after one year's strenuous effort to bring about a compromise between the Communists and the Central Government, this country, already on the brink of a woeful pit, was thrown headlong into full-fledged internecine strife. Probably with a view to recouping their heavy losses in North Kiangsu, and to divert the Government troops' intensive drive on south Shantung and Hopei, the Communists initiated a sudden strike in the latter part of January. An estimated 500,000 men were thrown against the eastern section of the Lunghai Railway, most of which lies in eastern Honan.

Tearing up the railroad they occupied Mienchuan, Liuho, Ningling, Suihsien and several other hsiens. Tens of thousands of farmers summoned from surrounding districts are laboring to dig a ditch around Kaifeng's city wall to guard against possible Communist attack, though the latter, having suffered heavy casualties, are likely to retreat in that area.

Kaifeng Nightmare

Awakened from their Lunar New Year's indulgence, inhabitants here and those to the east found that they were confronted with terrible bloodshed not far away, and that commodity prices were soaring in leaps and bounds to unprecedented heights, as a result of disrupted communications. The people's livelihood was threatened by large scale civil war.

The Lunghai Railway is the "sore throat" of Kaifeng. Whenever war breaks out around it or something happens to cripple the railroad, Kaifeng is like a man throttled. Now that furious fighting rages to the east of Kaifeng, this city seems to be in a state of palsy. Day and night bombers and fighter planes buzz over the city, reechoing melancholy. A gloomy shadow is cast over hearts lately set upon merrymaking over the Lunar New Year.

Daily Tribulations

With most of the means of communication cut or requisitioned for military use, all bus services have been suspended due to the lack of gasoline. The electric power plant is useless due to the lack of coal. When darkness sets in, streets are clothed in ghostly dismalness with belated vendors calling their wares in subdued voices and sentries, rifle in hand, challenging now and then a solitary pedestrian.

Arising in the morning the citizenry is greeted by the ominous drone of planes readying for action over the nearby battlefield. The people tremble to think, first of their fellow countrymen who are dying, and then of how to get along through this day which will bring a new and higher price for every article. Speculators and profiteers have been hoarding madly everything that came to hand. According to local newspaper estimates market prices have gone up almost 100 percent in less than a month since the Lunar New Year. What a shocking pace!

Streets Thronged

Streets are thronged with soldiers and with military trucks and jeeps shuttling to and fro at high speed. Accidents involving civilians are nothing to them, though a record number of persons have been run over in recent weeks.

Indeed, the majority of the Kaifeng populace has been caught up in flight. They were depressed and worried, not because of the sanguinary combat going on in the neighborhood, for day and night troop trains rushed with reinforcements to the front; but rather because of market instability and economic confusion that seemed to foreshadow a general economic collapse. They experienced the same sensational confusion as 15 months ago. On meeting with friends the first thing one hears asked is "What shall we do about prices; how shall we get along?" "It cannot be helped," invariably is the answer, accompanied by a glum shake of the head.

Despair Spreading

Daily necessities seem to be disappearing from the market and many stores and shops which closed down over the Lunar New Year, have failed to resume business. Most of those that opened have stopped trading because of uncontroled prices.

Civil servants, teachers and those of the lower class are suffering acutely, while hijacking, robbery and murder are rampant in and around the city. Recent newspaper reports revealed that a Chinese native doctor by the name of Chao Sin-ti, driven to wretched destitution by the current price-skyrocketing, committed suicide, a tragedy uncommon among Kaifengese.

Everyone is talking about and pondering China's fate in relation to his own future. People would be ready to suffer with fortitude could they glimpse an end of the present hated national wholesale massacre. They have been led to hope, then thrown into despair, and then once more buoyed up with hope; but at last they have sunk into incurable pessimism. Where are they to look for deliverance, when each faction is confident of its own military ability to beat the other to its knees?

Times correspondent in Washington, for instance, gave the hint about a fortnight ago that General Marshall would show himself in Moscow a good deal more flexible than has so far been shown on America's part, in her policies towards China and the question of atomic control.

Concessions Held Likely

Concession to Russia is also read into General Marshall's move by the *Cavalcade*, which reports that the Secretary of State has sent a personal message to Generalissimo Stalin asking for a series of private talks during his stay in Moscow. This paper is, however, apprehensive of Republican obstruction and this is what it says: "Marshall's readiness to ease the tension in international relations was apparent in his decision to withdraw American forces from China. For two years the presence of American troops on Chinese territory has been a bone of contention between Moscow and Washington. Now the removal of these forces will clear up the way to better understanding between Stalin and Marshall. Many Republicans disapprove of Marshall's decision, and John Foster Dulles, widely recognized as Republican adviser on world affairs, will voice this opposition in the Senate."

On Britain's part a readiness to recast her policies is not ruled out either. The *Economist*, remarking on Stalin's recent reference to the need of removing certain weakening reservations in the Anglo-Soviet Treaty of Alliance, sees no reason to reject the overture provided Russia will consider the regulation of the main sources of friction between the two countries in the Middle East. Even more explicit is a special article in the *Spectator* which urges a return to the "Big Three" concert.

"There is," declares this article, "only one really practicable policy today: the recreation of the Tripartite Alliance, and as the key to that some working agreement between Britain and Russia..... every single problem in foreign affairs today—China, Germany, the Middle East, Europe, the future of UNO—depends upon cooperation between the three Great Powers, and can be solved in no other way. The only alternative in fact is to do nothing and stick where we are now.....I believe it is an illusion, a dangerous illusion, to suggest that there is any other way to a stable settlement of world problems and to our own security against war than by a renewed Three-Power Agreement."

Thus in the 15 months that have spanned the two Moscow Conferences, events have in your correspondent's view moved full circle. The "Big Three" meeting of December 1945 produced a few agreements without, however, establishing basic agreement. They parted each in a suspicious frame of mind and bent on a reckless jockeying for position. Their subsequent maneuvres were as unrewarding as they were unedifying. Today, wearied by the series of implacable deadlocks, they are retracing their steps to Moscow for another try at a general settlement. It is to be hoped that they do so in a chastened spirit and that in the event of their success, the vexed Chinese problem will also be shorn of those international complications which have aggravated it beyond solution.

Morale Held All-Important Factor In Communist Armies' Successes

By ELIZABETH GRAHAM

South Shantung, Feb. 1 (Delayed).

IN the Kuomintang 26th Division, the soldiers have a song which starts: "Yao che ku, gan Ma Li-wu." (If you want to eat bitterness, follow [Division Commander] Ma Li-wu. This song, which goes on to complain about wages being three months in arrears, was even more prophetic than the unknown composer could have realized.

Within the first two weeks of January, the division was completely annihilated, as well as an American trained and equipped mechanized column also under General Ma Li-wu's command. Some 8,000 of Ma's soldiers had been killed or wounded on the battlefield, and another 25,000 men, together with Gen. Ma himself, were Communist prisoners.

"This is really a defeat without precedent," General Ma Li-wu wrote in his diary on January 5.

Crack, U.S.-Equipped Army

General Ma had commanded one of Chiang Kai-shek's strongest fighting units, by far the best equipped in the East China theater. It was armed with tanks, howitzers, mountain guns, bazookas, machineguns, rifles, wireless equipment, mines, trucks, jeeps, radio-equipped command cars, ammunition, gasoline, road construction equipment and even portable metal boats—all provided by the United States Government. Some of the units, such as the 5th Artillery Regiment, had been trained by Americans in India. The 1st Battalion of the 1st Armored Regiment, formerly under the command of the Generalissimo's son, Chiang Wei-kuo, had been through the Burma campaign. The 80th Infantry Brigade, which reinforced the mechanized column, was entirely American equipped down to the shoelaces.

How was it possible that such a modern military force could be so rapidly and thoroughly decimated by an enemy who, according to all present-day standards, was incomparably inferior?

The Communists possessed practically none of the vehicles or mechanized weapons with which Chiang's troops were so liberally supplied. What little they had was largely obtained from another Kuomintang division, defeated in North Kiangsu on December 19. The two week interval between campaigns hardly provided time to transfer troops and the captured supplies to a new front, much less time to train soldiers in the use of strange machinery. Furthermore, a large part of the Communist force consisted of county home guards and local militia, farmers who had left their fields temporarily for the duration of this campaign.

In a combat between two such unequal opponents, what factor upset all orthodox military formulas for victory: What "X" proved that even modern weapons are not enough to win wars?

The Communist commander-in-chief, General Chen Yi, gave major credit for his swift and complete victory to the factor of morale, which even Kuomintang prisoners admitted was strikingly different among the two armies.

Morale Held Vital Factor

"You can only understand present military developments by admitting the existence of a strong demand for democracy among Kuomintang troops, and the growing unpopularity of this civil war among Kuomintang forces," General Chen Yi asserted.

It has become a common phenomenon in the current conflict for Kuomintang soldiers to lay down their arms as soon as their officers are killed or wounded. The instances of equipment being sabotaged before surrender are exceedingly rare. I have seen long columns of captives marched to the rear with perhaps one Communist guard for every 50 men. There are many accounts of Kuomintang soldiers joining the Communists in mid-battle, reversing their weapons against their former leaders.

In the North Kiangsu campaign near Huaipei from December 14 to 19, the Communists captured 18,000 Kuomintang troops. Of these, 4,000 immediately joined the Communists and fought two weeks later in the Lanning battle of January 2 to 4. Within a month, almost all but the officers had been incorporated into the Communist army.

Captives Join Reds

This is a standard pattern. The Communists do not even maintain prisoner pens for enlisted men. The captured Kuomintang G.I. is given his choice of returning home, with the necessary funds presented by his captors, or of joining the Communist forces. Few choose to go back to Kuomintang villages where they merely face reconscription into the Kuomintang army.

Take Han Chou-tien, for example. He is a 20-year-old infantry soldier, formerly with the 7th Company of the 7th Regiment of the 57th Kuomintang Army. He was captured on December 17 in the Huaipei campaign and fought with the Communists in two engagements within the following month—in the Lanning battle and in the storming of Yihsien.

Conscripted In 1944

Han, the son of a North Kiangsu merchant, said he had been conscripted three years ago while on a trip to Kuomintang-held areas. He hasn't returned home since. He reported—as did every other prisoner I talked with—the great efforts the Kuomintang officers made to conceal the fact that they were fighting a civil war against Communist troops.

"Our officers told us we were fighting bandits, but we know we were fighting the Communists," he said. "Every morning the officers gave us lectures on annihilating bandits, but no one cared to listen."

He said he joined the Communist army "because the Communists treat people properly." In comparing the life of a Kuomintang and a Communist soldier, he clearly revealed his pleased astonishment at the equality among officers and men which exists in the Communist ranks.

KMT Feeds Better

"The Kuomintang army eats better," he said, "but there the officers have their own separate kitchens. Here everyone shares the same food. Also, in combat, the Kuomintang officers generally force their men to go ahead, but here the officers lead their units into action."

The latter criticism was not restricted to the lower ranks. A brigade commander under General Ma Li-wu complained in his diary that during the Lanning campaign, General Ma was not at his field headquarters, but comfortably in the rear at Yihsien.

Even General Ma Li-wu was unable to deny the difference in morale between the two forces. He told me at General Chen Yi's headquarters, where he had been given a banquet the preceding evening:

"Anyone can see on the battlefield that Communist morale is higher than Kuomintang."

When I asked him to explain this rather odd remark, coming from a Kuomintang General, he continued:

Real "People's Army"

"Most Communist troops are local people. They want to protect their own lands. They are 'tse ti ping'" (literally: sons-brothers soldiers, or a people's army).

He next proclaimed his own reluctance to fight this "unnecessary" civil war, saying he had only "followed his orders." But in his case, as in that of all high officers, particularly those like General Ma who are known to be Chiang's special proteges, his remarks on this subject were not taken very seriously.

The squat, fat-jowled, 43-year-old officer, who served as Chiang Kai-shek's adjutant in the 1928 period when Chiang was staging his series of coup d'etats, had written, in his diary on New Year's Day:

"At noon we gathered the civilians and spoke to them on the success of the new constitution and on the subject of cooperation between the people and the army. We also talked about annihilating the bandits so as to establish a peaceful life for the people. The people were very much moved. At last I told the people:

"'The Communists are to the people as oats to rats. They disguise themselves as kindly people, but you must not be fooled.'"

Blames Superiors

While General Ma freely admitted that he had been handicapped by poor morale among his troops, he disagreed with Communist General Chen Yi that this was the primary cause

of his defeat. Instead he blamed his defeat upon his superior officers, criticizing them with surprising vigor in conversations, both with Communist officials and this American reporter. The major targets of his displeasure were General Chen Cheng, chief of staff of the Kuomintang armies, and his immediate superior, General Hsueh Yueh, Kuomintang commander-in-chief of the East China Theater who formerly commanded the Changsha area.

"My division shouldn't have been stationed in such an advanced, isolated position without reinforcements," he declared. He told me how he had requested permission to withdraw to the Yihsien base, but General Hsueh Yueh refused to permit his retreat.

In General Ma's opinion, the second factor in his defeat, in order of importance, was the weather. On January 4 when his mechanized column was scheduled to break through a strong Communist encirclement, rain turned the landscape into a monstrous sheet of fly paper.

"Very Bad Error"

Summarizing his views, he wrote in his diary on January 5, the day after the Lanning battle had ended:

"Alas! Whose fault is it? The division over-extended and isolated—this was a very bad error, particularly since the troops were left so long without being able to attack or retreat. This gave the bandits an opportunity to draw up a very perfect plan of encirclement.

"The bandits always hated and feared me most. Ever since we took Yihsien and Tsaochuang (in October, 1946), the bandits have always wanted to beat me but they have had no chance. This time our mistakes in strategy gave them their opportunity. And in addition, on the day for breaking the encirclement, rain made it still more difficult for us. We fought three days and nights (actually only 41 hours) without any reinforcements. We also ran out of ammunition and gasoline. How could I help being defeated. Alas! Does this mean that the heavens meant to help the bandits? And why were the heavens so cruel to us?"

Favoritism And Cliques

General Ma's conversation with me illustrated another significant factor undermining Chiang's forces, although Ma himself would probably never include this among his grounds for defeat. I refer here to the cliques and factions within the army, all battling among each other for Chiang's favors. Within 10 minutes, General Ma revealed that he was one of the Ho Ying-ching clique (General Chen Cheng's predecessor) and had made his likes and dislikes among the Kuomintang High Command equally clear. After listening to his complaints about various Kuomintang generals for a considerable time, I finally asked General Ma for his explanation of why there was such an inordinate number of feuds and jealousies in the Kuomintang army. The somewhat tactless question seemed to startle him, but he answered promptly: "The higher-ups are to blame."

"Is General Chen Cheng to blame?"

"Of course, not only him."

"Then is Chiang himself to blame for this situation?"

"Yes, perhaps so," Ma said with considerable reluctance. "He has many favorites among the officers. It leads to hard feelings."

Personal Hatreds Strong

These fierce personal hatreds go right on down through the officer caste. For instance, Colonel Wang Kuin, a brigade commander under General Ma, refused to share a room with the General at Communist headquarters. Although told that he could be provided with more comforts if he would stay with his superior, Colonel Wang walked out of the room without a word to the General, explaining that he preferred to crowd in with his junior officers. The Communists were astonished by his attitude until they read his diary, which threw some light on the situation. Colonel Wang had written on January 5 at Yihsien:

"At 3 pm., remnants of the 26th Division came back into the city, turning the town into confusion. Our brigade wanted to keep the place in order, and we sent Staff Officer Chang to General Ma to ask him to let in only his headquarters staff, keeping the rest of the troops outside the gates. But General Ma turned pale with anger and cursed rudely. Although this is such a trifling matter, it shows that Ma does not behave like a general. How can such a narrow-minded man be a division commander? It is really very amusing."

Peasants Victimized

General Ma's popularity among the peasantry was equally low. In the 15 days that his troops had occupied the Lanning area, they had stripped the territory of chickens, pigs and grain. Almost every farmer I talked to had a story of being beaten or abused by Kuomintang troops.

But the most eloquent expression of the peasant's hatred toward the Kuomintang came on old Chinese New Year's Day, January 22, when the farmers came by hundreds, bearing gifts to the Communist troops. After inspecting three large rooms filled with butchered hogs, all gifts from the peasants, I asked some of the farmers where they obtained the pigs if the Kuomintang had seized all of theirs. I learned how almost every village had raised cash donations of from $50 to $500 dollars per family, and with this capital they had purchased pigs at the rear and carried them by poles as far as 50 or 60 miles. As for the peasants own New Year's meal, the biggest feast of the year, this was a "bean curd year," they said. When I asked one peasant if he could afford the large contribution he had made, in view of the heavy losses he had just recounted. he looked at me with amazements:

"The Kuomintang did all that to our village in three weeks," he said. "If our army hadn't come to rescue us as quickly as it did, we would have been ruined—we'd have lost everything, everything. If I had given all I have left to our soldiers, it would not be too much. I still have my land."

So it would seem that while General Ma thought he had "moved" the people very much with his clever New Year's speech, Colonel Wang Kuin was probably nearer the truth when he wrote in his diary, as his analysis of the factors behind the defeat:

"The People Hate Us"

"Army discipline has broken down and the people hate us very much."

All of these various developments can be put together like the House That Jack Built—the cliques and hatreds among the top commanders that are reflected in quarrels and jealousies down through the officer ranks, which helps breed bad morale and lack of discipline among the troops, which then leads to mistreatment of the peasantry and turns the civilian population into enemies of the Kuomintang armies. And why have the Communist armies none of these problems to contend with? Because their house is built in reverse, with the people's attitude as the first and only consideration. Every action is geared to the people's welfare, even to the extent of purposely keeping Communist armed forces smaller than Kuomintang because, as General Chen Yi explained, "while we'd like a bigger army, the burden on the people would be too great." And because every Communist soldier is a farmer who nas volunteered for his job, because every officer knows he is fighting only for the people and not to advance his own military career, army-civilian relations are friendly, morale and discipline high, conflicts among commanders unknown.

Ma A Poor Prophet

These are the factors, the large "X's" in military formulas, that more than offset any amount of technical military assistance which the United States can give to Chiang Kai-shek's Kuomintang armies. Unless the American supporters of Chiang's regime recognize this fact, they will one day find themselves as surprised as General Ma Li-wu, whose last entry in his diary, written January 9, read:

"They (the Communists) want to take this city but I think that will be as difficult as climbing up to the heavens."

And two days later, the Communists reached heaven.

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Financial Panic Eases In Canton But Commodities Still High

By WANG DZOONG-YEN (王宗炎)
(Special Correspondent, The China Weekly Review)

Canton, Feb. 25.

ON the dreary morning of February 12, the school bus—"wreck" would be a better word—rumbled from Canton City to National Sun Yat-sen University, situated some 10 miles to the east in the suburb. At Shaho, midway between the city and the campus, it rolled to a stop. Gasoline was out.

Some four paces away a boy appeared from a Standard Oil refueling station, grinning. Would the chauffeur like to have gas? Sure he would. Thirty-six thousand dollars for five gallons. "My goodness! I paid only twenty-two thousand for the same quantity yesterday." "Right you are, brother, but that *was* the price yesterday."

In the afternoon the same bus returned from the University. At the same place it stopped. Once more the same boy appeared, grinning. Would the chauffeur like to have gas? Sure he would. Seventy-two thousand dollars for five gallons. "My goodness! I paid only thirty-six thousand this morning." "Right you are, brother, but that *was* the price this morning."

Commodity prices doubled in a matter of eight hours. It would be funny if it were not so painful.

Sky's The Limit

When your correspondent sent his last report on January 26, commodity prices had begun their skyward journey. The signal for the start was the issue of the big-denomination Customs Gold Unit notes. At first prices climbed, then they jumped, then they soared, and finally they zoomed.

When the sun shone benignly for the first time in the first moon of the Lunar New Year, the situation was already serious. Following the lead of gold and foreign exchange quotations, the prices of all commodities went up 10 to 20 percent every day.

Day after day the newspapers carried headlines about the frantic rise in the prices of foodstuffs and fuel. Day after day interminable queues waited outside the CNRRA feeding stations, shivering in the spring cold. Day after day the people prayed, cursed and cried—all in vain.

The Kwangtung government is not a representative government, but the people have their representatives in the Provincial and Municipal Councils. It is to them that they looked for some remedy of the impossible situation, some relief measure. They looked for it in vain. The Provincial Council kept mum. The Municipal Council kept mum. The councillors are without any counsel.

Sensing the popular unrest, the authorities quietly took precautions. Sentinels were doubled. Armored cars patrolled the streets day and night. General Ey, commander of the Cantonese garrison, was rung up for reinforcements around the clock, with the result that he completely forgot to send his young daughter to school.

Rice Riot At Yingtak

By February 11 something alarming broke out. When a consignment of more than 70,000 piculs of rice transported from Hunan reached Yingtak, some 100 miles to the north of Canton, hundreds of hungry peasants came aboard and plundered the entire supply. Anybody could see that what had happened in Yingtak could very well happen elsewhere if the necessary steps were not taken.

On February 12 a panic definitely set in. Gold quotations advanced to CNC$1,400,000 an ounce; a Hongkong dollar was worth CNC$3,300. To conserve their stock, shopkeepers priced their goods two to four times higher than before. To crown it all, rice price jumped from CNC$1,500 a catty in the morning to CNC$3,000 in the evening, each purchase being limited to three catties.

Government Acts

It was then that the Provincial authorities decided to take action—an action that was both swift and effective. For once the government was equal to the task. Without serving any notice and before the proclamation by the Central Government of the emergency measures, it cracked down ruthlessly on the profiteers and trouble-makers.

In the afternoon of February 12, money-changers and goldsmith shops in Canton were horrified to see Inspector Pan descend upon them with a batch of policemen. What gold and foreign exchange they had were to be stowed away in the safes, which later the officer sealed. The financial market was closed; nobody was allowed to buy or sell gold or American or Hongkong dollars!

No sooner had the financial manipulators recovered from their shock than more ill-tidings were brought to their knowledge. Eighty-one money-changers and 32 stores that dealt in money exchange without a license were summarily suspended from operation.

But the greatest success the government scored was on the rice market. Price ceilings were fixed, and policemen and gendarmes were sent out to see to their due observance. Seeing that the government meant business and knowing that supply was plentiful, the rice merchants tamely marked down their quotations. In the short period of 10 days, rice tobogganed from CNC$300,000 per picul to CNC$100,000.

One thing that did not go so smoothly was the examination of the cash held ready by the government organizations and banks. When the inspecting officers detailed by the Supervisor of Kwangtung and Kwangsi stationed by the Control Yuan approached the manager of the local branch of the Central Bank of China, the latter flatly refused to submit to a check. He held that the bank of banks is above all supervision, and that no one is to nose around the sacred treasury without some authority from the Nanking Head Office.

80,000 Jobless

At this writing, confidence in the national dollar has somewhat recovered. When the rice price dropped, other foodstuffs followed suit. And so did firewood, cotton yarn and cotton cloth, canned goods and the thousand and one daily necessities. Generally speaking, however, commodities are still sold at prices twice as high as before the panic, which means that the wage-earner's purchasing power has been cut in half, while his suffering and deprivation have been doubled.

When the panic was on, all the industrialists converted their cash into raw materials, gold or foreign exchange. To produce goods at the present price level with high-priced raw materials means sure loss. To hold gold and foreign exchange under the present circumstances means the tying-up of capital. Result: Seven-tenths of the factories in Honan, the industrial quarter in Canton, shut up shop, throwing 80,000 workers into unemployment and the abyss of misery.

Will It Work?

Will the measures taken by the National Government to fight the financial crisis be adequate and effective? Critics in Canton and Hongkong are sceptical.

The nationalization of gold, it is pointed out, had been tried in the first years of the Sino-Japanese hostilities, but was given up later as a failure. Would a repetition of the same technique be eminently successful? Moreover, the purchase of gold requires a vast amount of paper money, which would undoubtedly aggravate rather than relieve the already vicious inflation.

The foreign exchange control devised by the government, again is not easily enforceable. With home industries going bankrupt and foreign goods pouring in, the stabilization of the foreign exchange rate is easier said than done. Very soon a new black market will appear—in fact, it is appearing—and a merry

U.S. Softens Reparations Policy Following Survey By Engineers

By HUGH DEANE

(Special Correspondent, The China Weekly Review)

Tokyo, Feb. 19.

DESPITE official silence, substantial evidence indicates that the United States policy regarding reparations from Japan is shifting markedly in the direction of leniency.

The Edwin W. Pauley report, which called for relatively extensive reparations, is being scrapped in favor of a report just finished here by a group of engineers headed by Clifford S. Strike.

Textile Industry May Escape

While this new report has not yet been made public, Strike admits that it "differs" from the Pauley report. This is widely interpreted to mean that some categories of industry previously marked for reparations will be exempted.

Strike states that "no plans have been made to reduce the Japanese textile industry"—which before the war was a major weapon in Japan's economic arsenal.

According to Strike, the basic aim of his mission's report is to leave Japan enough industry to sustain its economy—to provide enough industrial exports to buy raw materials and food. He states that the needs of claimant nations were not considered by the mission.

The mission completed its report after a three weeks' stay in Japan during which it visited about 50 factories.

Victory For MacArthur

Observers here regard the report as a victory for General MacArthur and other American military leaders, who hold that the "Soviet menace" in Asia requires a strong Japan. Some observers believe that there are good economic reasons for maintaining Japanese industry at a high level, but add that such a policy increases the importance of democratizing Japan—still a distant prospect.

Strikes in key industries are unlikely at least till after the national elections being held sometime this spring, a survey of Japanese labor union opinion indicates.

Not Prohibited

Regardless of the attitude of the American authorities—and American officials state that strikes by individual unions would not be prohibited—Japanese union leaders believe that actual walkouts now would be tactically unwise. Some of the unions involved in the abortive general strike, which was prevented by order of General MacArthur, have reached compromise agreements. The vital state railroad dispute has been settled.

On the other hand, labor leaders emphasize, many major unions will press their demands by means just short of a strike. Some will enter a "state of struggle"—which means that the workers will stay at their jobs but will demonstrate occasionally and let the management know that they are not on good terms. And some unions may establish some form of "production control" — in which case the workers take over certain managerial functions, including control of finances.

Production Declining

One overall reason why actual walkouts are unlikely is the fact that production is faltering and on the decline, and strikes obviously would further depress it, thereby causing more unemployment and accelerating inflation. Hence the unions are trying to develop other tactics.

Related to this is the consideration that both wings of the labor movement, the conservative Japan Federation of Labor and the leftwing Congress of Industrial Unions, are participating actively in the labor-capital Economic Rehabilitation Congress, which had its first formal meeting on February 6. The unions cannot easily strike while their leaders are discussing means of increasing production with capitalists.

The unions are now turning their attention to the spring elections, recognizing that their lack of strength in the Diet handicapped them in their campaign to overthrow the Yoshida Cabinet. Already several unions have created special election committees. Efforts are also being made to effect an electoral alliance with farmers and middle-class groups, a large proportion of which, union leaders admit, did not support the workers in the projected general strike.

All-Japan Council Planned

The major unions are trying to make permanent the labor unity temporarily achieved at the time of the general strike movement. The Joint Strike Committee has been reorganized into a preparatory committee for the purpose of organizing an All-Japan Labor Union Council, tentatively scheduled to be established on March 25.

This preparatory committee represents all labor groups except the Japan Federation of Labor, but some individual JFL unions are represented. Whether or not the JFL as a whole joins the council depends on how much pressure is exerted on its conservative leadership by the rank and file.

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race between the official rate and the black market rate will be repeated, with the former invariably two steps behind.

The purchase of Hongkong dollars at CNC$2,500 to HK$1 by the local Central Bank has started, and reportedly with some success. The official gold rate, however, is considered too low, and no one is willing to sell. Even the holders of Hongkong dollars are more interested in hoarding than in selling, because foreign exchange is in great demand for imports from the British colony and is sure to have a higher quotation in the near future.

Outlook Dismal

It is the consensus of the observers that in the coming months two things are beyond doubt going to happen. The first is that the flight of capital to Hongkong begun months ago will go on with increasing speed. The second is that the financial market being barred, the speculators will turn their idle capital to the manipulation of real estate and daily necessities. The further impoverishment of the country and a phenomenal rise in the cost of living, therefore, are foregone conclusions.

Where there is fire, there is smoke. While there is a civil war, there are currency inflation and financial crises and untold misery on the part of the millions. Although the panic has been eased, it is bound to recur some day. Over war-torn, bankrupt China, the Damoclean sword still hangs.

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THE SHIBUYA CASE

(The Shibuya Case has been the cause of the most serious dissension which has arisen between Chinese and American occupation authorities since Allied rule of Japan began. The Chinese Government has sent a note to General MacArthur's headquarters demanding either that the Japanese involved in the case be retried or that the convicted Formosans be returned to Formosa for retrial. While official Chinese opinion has been that the Formosans were discriminated against, both by the Japanese police and by the Allied tribunal, the American attitude has been that the Formosans in question were undesirable gangsters who got what they deserved. Of the 38 defendants one was sentenced to three years' imprisonment at hard labor, 35 to two years' hard labor, and two were acquitted. Prison sentences were made subject to suspension upon deportation of the culprits by first available transportation. Three Japanese policemen, tried in connection with the same incident, were acquitted. In view of the widespread disagreement with the verdict, a summary of the dissenting opinion handed down by Mr. Henry Chiu, Chinese member of the Allied Mixed Commission which tried the case, is presented.—EDITOR)

THIS is a criminal action begun against 43 named defendants, against five of whom the specifications have been withdrawn, leaving 38 defendants.

The defendants are charged with having committed acts prejudicial to the objectives of the occupation; specifically, with the wrongful possession of dangerous weapons, and with wrongfully and unlawfully aiding abetting and engaging in disorder and fighting, with using reproachful and provocative language, with acting in a violent and threatening manner, with firing pistols to the disturbance of the peace, resulting in the death of several persons and the wounding of others; with interfering with the lawful performance of the functions and duties of the Japanese police, disturbing the peace and terrorizing the people in the neighborhood.

Evidence For Prosecution

Prior to July 19, 1946, Formosans were involved in a number of incidents with the Shibuya police and other Japanese individuals. Reports were received by the police that Formosans were to attack the Matsuda Gumi, a group of notorious Japanese who had been involved in several fracases with Formosans, the Metropolitan Police Board, and the Shibuya Police Station. As a precaution, the Shibuya Police Station was reinforced by neighboring police stations, and road blocks were formed to check vehicles approaching the station. At about 9 p.m. on July 19, a convoy of trucks bearing Formosans and escorted by a jeep of the Chinese Mission was stopped approaching the station by the police. Told by an occupant of the jeep that the Formosans were returning to their homes from a meeting at the Chinese Mission, the police chief permitted the convoy to pass, putting a policeman on the jeep to insure passage.

The occupants of the trucks were meanwhile shouting, cursing, brandishing clubs, spitting, and two of them were seen pointing pistols at the policemen. When the convoy resumed procession three shots were fired from the third truck, one policeman being hit. Police returned fire and firing continued on both sides for a short time. Another jeep and truck approaching, the occupants of the latter shouting and shooting, police opened fire, hitting the driver. The truck collided with a house across the way. The occupants were arrested, no firearms being found in their possession, but later searching turned up arms and ammunition in and near the trucks.

Evidence For Defense

In the afternoon of July 19, 1946, a group of 400-500 Chinese, mostly Formosans, met in the Showa Primary School to discuss an armed attack by Matsuda Gumi hoodlums on July 16. Mr. Ling Ting-ping, Chief of the Consular Affairs Section of the Chinese Mission in Japan, addressed the group stating that the incidents would be investigated by the Chinese Mission. The meeting broke up, the participants dispersing; one Chinese was insulted and threatened by Japanese hoodlums on his way home. He returned to the school, and those still there decided to make an appeal to the Chinese Mission.

Proceeding to the Chinese Mission they were there addressed by General Lee Li-pai, Advisor to the Chinese Mission. The substance of his talk was the same as that of Mr. Ling. The Formosans dispersed after expressing satisfaction with the speech by a show of hands. In order to avoid possible attack by the Matsuda Gumi, Formosans asked and were granted an escort of Mission jeeps.

The six trucks left in three convoys, each escorted by a jeep. One convoy proceeded without incident to Shinegawa. Another, consisting of a jeep, a sedan and two trucks, was stopped by the Japanese police near the Shibuya Police Station. After explanation had been given by the occupant of the jeep and permission received to proceed, a burst of shots broke from both sides of the road, fire being directed by the policemen at the trucks. Jeep and convoy got away to the Chinese Mission.

The third convoy was fired upon without provocation upon approaching the police station; one truck driver was wounded, his vehicle hitting a house across the road and its occupants being arrested. Six Formosans were killed and 21 wounded in the incident.

Conclusions

"The defendants were charged, jointly and severally, with committing various acts in concert as specified in the charge. However, no conspiracy on the part of the defendants was alleged by the prosecution, and, in fact, it was disavowed by them." Evidence presented was all against the existence of a conspiracy. The police were not mentioned in the meetings preceding the incident; Formosans expressed themselves as satisfied with Gen. Lee's promise of Mission action. Also, a large proportion of the Formosans present at the meetings returned without incident to their homes, which would not indicate a planned attack. Furthermore, the route leading by the police station was chosen as the shortest of three alternatives by the drivers of the Chinese Mission jeeps, without instigation of the Formosans. The fact that fighting did not break out directly the trucks were stopped does not indicate conspiracy.

"....In the absence of any allegation or proof of a conspiracy, there must be explicit evidence connecting each defendant with the particular offense with which he is charged, and the prosecution has the 'burden of proof' to prove the defendants guilty beyond a reasonable doubt."

"The only contention by the prosecution as to the guilt of the accused was based upon the mere presence of the defendants in the area at the time the incident occurred, and upon their failure to get off the trucks and leave in order to dissociate themselves from any participation and responsibility." However, the Formosans had no reason to anticipate trouble when the chief of police had granted them passage. Furthermore, the fact that they were given permission to pass indicates that their alleged disorderly conduct was not such as to warrant interference by the police. Certainly, the occupants of the second convoy of trucks had no opportunity to get off the trucks and dissociate themselves. "I therefore disagree with the contention that mere presence of the defendants and their failure to get off the vehicles has lawfully established the guilt of the accused.

"There was no evidence that any particular defendant fired a pistol or

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Stocks Rise On Soong Resignation Until Police Investigators Act

DR. T. V. Soong's resignation as the President of the Executive Yuan on March 1, had few reactions in the financial and commodity markets of Shanghai with the exception of the stock exchange. When news of the acceptance of his resignation reached Shanghai quotations of stocks and shares increased. This firm trend continued till this week when the local police found it necessary to visit the exchange and to examine the books of the stock brokers.

Despite these actions on the part of the authorities, it is generally believed that business in stocks and shares will be active during the months to come because of the concentration of idle capital in this market when no trading in gold and American bank notes was permitted.

The Central Bank of China continued to buy gold bars and American bank notes and the latest reports stated that up to February 28 the government bank bought altogether 5,400 ounces of gold and US$5,700,000 of American bank notes. In this connection, it may be noted that the authorities continued to arrest dealers in gold and American bank notes.

Foreigner Arrested

On March 3, Mr. Frederick Mysberg, a Dutch citizen, of the Abis and Company, an associate company of Swan, Culbertson and Fritz, was arrested in connection with speculation in gold and American bank notes. Meanwhile, Mr. Huang Han-liang, member of the Board of Directors of the Chung Hsin Bank, who for a short time served as Minister of Finance in 1931, was also charged with speculation even after February 17 when the Emergency Economic Control Measures were promulgated.

In the commodity market, prices of edible oil, artificial silk, and cotton yarn and cotton cloth increased, while that of industrial chemicals, such as caustic soda, newsprint, and others started to drop. Both in regard to edible oil and cotton yarn, the authorities warned against any trading above the officially fixed prices and threatened to close the markets if the order were not followed strictly.

HCL Still High

The fact that prices of commodities have not yet fallen below that of the January level is causing considerable agitation on the part of the workers. In order to help the workers, the Bureau of Social Affairs ruled that all factories must pay wages to the workers according to the cost of living index for January, plus CNC$73,000, representing the differences in the prices of six daily necessities: rice, salt, edible oil, sugar, cotton cloth, and coal.

Two protests have been sent to Nanking during the past week, one by the gold and silversmiths and the other by those banks which had obtained licenses for reopening but failed to open before February 26. The gold and silver smiths intended to petition the authorities for permission to carry on their business as the recent regulations allowed them to sell out all their gold ornaments within a specified period. The banks petitioned against the order of the Finance Ministry prohibiting the opening of any bank (with, or without license) after February 26. These banks pointed out that they have already spent much money in preparing for the opening and this order will cause them to suffer heavy losses. The order of the Ministry, according to well-informed circles, was issued under instructions of Generalissimo Chiang Kai-shek as many banks were found to have engaged in speculative activities. Since the Japanese surrender, 80 new banks have opened in Shanghai.

The following table gives the quotations of some of the leading commodities in Shanghai market:

	Feb. 22 CNC$	Mar. 1 CNC$
Gold bar	4,800,000	4,800,000
US Dollar	12,000	12,000
Bond C	7,600	8,800
Wing On Textile	2,280.	2,575
Mayar Silk	5,400	5,600
Ewo Cotton	17,800	16,500
Rice	110,000	110,000
Wheat flour	54,500	54,000
Peanut oil	240,000	290,000
20's Yarn	3,200,000	3,200,000
12 lb. Cloth	146,000	152,000
Raw silk	7,900,000	7,650,000
Artificial silk	7,400,000	7,900,000
Ruby Queen cigarettes	38,400	33,700
Koo Ban Soap ..	245,000	230,000
My Dear matches	1,530,000	1,460,000
Newsprint	120,000	140,000

All young men between the ages of 20 and 23 will receive compulsory military training this year, General Hsu Sze-ping, director of the Chinese draft board organization, told the *Hsin Min Pao* last week. More than 4,000,000 young men are to be drafted under the ruling, the general said. Young men in Nanking and Shanghai will not be exempted, and new recruits are now receiving better treatment than during the war, as they get at least enough food and clothing, though there continues to be a shortage of barracks, General Hsu said.

* * *

Five Japanese-made locomotives are scheduled to be shipped to China in March and also parts for the repair of two turbines, *Central News* reported from Tokyo. Japanese exports have expanded substantially in recent weeks, and it is expected that they will grow in the coming months, especially exports of industrial equipment and supplies to eastern markets.

* * *

Five Control Yuan members sent to Shanghai to investigate the recent "gold rush" charged ex-Premier T. V. Soong and ex-Governor of the Central Bank of China Tsuyee Pei with failure to abandon their gold policy when it had already proved a failure. They also accused Lin Feng-pao and Yang An-jen, high Central Bank officials of mishandling the execution of policy, and with irregularities directed to their private gain, *UP* reported from Nanking.

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otherwise engaged in the disturbance of the peace. There was not even evidence of firing by the one defendant who admitted possessing a pistol. Evidence as to which side opened fire is contradictory, the only disinterested witness, an American civilian, having testified that he saw no shooting or commotion among the occupants of the truck.

"In conclusion, I wish to reiterate that the evidence must show beyond a reasonable doubt that each of the defendants is guilty of the offense or offenses set forth in the specifications. It must be borne in mind that conspiracy was neither charged nor found in this case. Therefore, there must be explicit evidence to connect each defendant with the offense or offenses set forth in the specifications. No evidence was, however, adduced in this case to substantiate the guilt of any of the defendants with the exception of defendant No. 21, who admitted having in his possession a pistol at the time the incident occurred, although evidence shows that he did not fire it at any time during the incident.

"For the above and foregoing reasons, I respectfully dissent from the decision of the Commission and I am of the opinion that there should be a verdict of 'Not Guilty' concerning all defendants with the exception of defendant No. 21 who should be found guilty on specification 1 only, for the unlawful possession of a dangerous weapon."

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NEWS OF THE WEEK

China Reverts To 1937 Split As Communists Ordered To Leave

RELATIONS between the Kuomintang and the Communist parties have lingered at the Political Consultative Conference stage for many months. Then, on February 28, letters were sent by the garrison commanders of Chungking, Nanking and Shanghai to the Communist liaison groups, saying, in part:

"Since the time your party closed the door to national peace by rejecting the resumption of peace talks, the troops of your party have been engaged in open rebellion against the Government, and have been attacking the troops of the National Government throughout the country.

"In the meantime, members of your party have been spreading rumors and instigating riots and uprisings everywhere..."

Thus, the Communists were told to pack and leave before March 5, ostensibly for the preservation of public order.

The Communists immediately asked for the extension of the deadline to March 31, but initial groups began to leave Shanghai for Nanking, and thence for Yenan aboard U.S. Army planes.

Chou En-lai sent a letter to Generalissimo Chiang Kai-shek to this effect and commented that if the action was not taken under the initiative of local commanders but had been instigated by the Generalissimo himself "it seems that you (the Generalissimo) are determined to wage the civil war to the bitter end, not even dreading a final split and bolting the door to any eventual negotiations."

Chou further demanded that the Communist representatives be notified formally of this decision of the Government and the deadline postponed to March 31, in order "to work out a plan for compulsory withdrawal and so that our local liaison offices may wind up their business."

As the first group of Communist representatives and their dependents left Nanking aboard an American plane, members of the Nanking PPC urged the Government to "further strengthen measures to prevent the activities of the Chinese Communists." According to the *Sin Min Wan Pao*, a member of the PPC motioned that the Government should cease abusing its power and should stop the unlawful arrest of persons in various localities. His motion was voted down by the majority.

The *Wen Wei Pao* reported that the authorities are contemplating the revival of wartime measures to curb the activities of "subversive elements." A mutual guaranty system will be introduced to regulate the conduct of Government employees and Army officers and men. The paper said this campaign has already started in Peiping, and is expected to commence in Nanking and here soon.

Similar reports were coming in from all parts of the country. The Hangchow *Tien Hang Pao* was suspended for one week for having reprinted a *Wen Wei Pao* article, insulting the "supreme leader of the state," the *Shun Pao* reported. *AP* said that Chinese papers in Peiping were being "drastically censored" in connection with protests and agitation against the arrest and mass searches recently.

In Shanghai, the Chih Yu Publishing Company sales office was searched by the police five times and a large number of books including "Anti-Fascism," "Wu Man Yu," and others, were confiscated. The *Lien Ho Wan Pao* noted that the proprietor of the store Wang Chao-shih was last week appointed by the Government as member of the PPC.

The postal authorities here attempted to introduce a mutual guaranty system and circulated pertinent forms to be filled in by employees, to prevent "reactionary activities." The system provides for the formation of units of 5 men, guaranteeing each other. One of the paragraphs stipulated that "when evidences warrant the authorities' suspicion that any of their subordinates have engaged in reactionary activities, it shall be immediately reported to the local police bureau or the local Kuomintang headquarters to take up the case in accordance with law, and those clearly proved to be reactionary shall be dismissed and prosecuted." The *Sin Min Wan Pao* noted with some satisfaction that the postal workers "unanimously" refused to fill in the forms.

KMT Army Headquarters Moves North

THE Chinese Government has shifted the General Headquarters of the Chinese Army from Nanking to Hsuchow, in North Kiangsu, according to *Reuter*. All top-ranking generals have gathered at the headquarters, including Chief of Staff General Chen Cheng, and General Tang En-po, Vice-Commander in Chief of the Army, and concurrently Nanking garrison commander. The Chengchow and Hsuchow Pacification Headquarters have been abolished and three commands set up with 300,000 troops under them.

Comment On Withdrawal

CARSON Chang, chairman of the Democratic Socialist Party, commenting on the Communist withdrawal from Kuomintang areas, said that "non-cognizance taken by the Communists of any Government international agreements concluded since July last year, was the chief factor precipitating the withdrawal." This, Carson Chang said, signified that the Reds did not recognize the legality of the National Government, "evidently indicating that the Communists signified no sincerity to resume the peace talks.

"As the National Government is China's only legal government recognized internationally, it surely has power to conclude any treaties or agreement with any other nations," Chang added.

The departure of the official representatives is said to be leaving a "residue of Communist or leftist sympathizers who are fearful of a repetition of the recent "Red hunt" staged in Peiping."

China Issue At Moscow?

As the representatives of the Big Four began to arrive in Moscow well-informed quarters in London suggested that the Chinese problem will probably be raised by American Secretary of State George Marshall.

Also in London, British Foreign Minister Ernest Bevin, obviously preparing public opinion for further treatment of the China issue, said:

"The Chinese civil war will prove a contributing factor to a general uprising of war..."

Further reports said the China issue would not raised, however.

Soong Resigns

FOLLOWING a protracted and stormy session of the Legislative Yuan, T. V. Soong resigned as premier of China. The resignation was accepted by Generalissimo Chiang Kai-shek, who took over his duties temporarily and it is said that General Chang Chun, Governor of Szechuen, is to act as personal assistant to the Generalissimo.

The Generalissimo was appointed by the Supreme National Defense Council, "the Government's highest policy-making body."

Three days later, the Generalissimo moved the dissolution of the Supreme Economic Council and the creation of the National Economic Council, the main task of which will be to assist in the implementation of the emergency economic program. The Council is to be comprised of high Government officials, the ministers of Food, Social Affairs, Finance and Economic Affairs, the Comptroller of the National Treasury, and the mayors of Shanghai and Nanking. One of the main features of the reorganized council will be the nine-man "Price Committee."

"The emergency economic measures should be carried out to the letter," the Generalissimo told the Executive Yuan meeting, thus ending all speculation with regard to whether the measures advocated by former Premier Soong would be implemented.

Prior to his resignation, the real causes of which have not yet been established, Soong was charged with responsibility for China's economic and financial crisis. At the conclusion of the session, Soong revealed that he had already resigned and his move accepted by the Generalissimo.

Rebellion In Taiwan

IT was indeed later in Taiwan than most people thought. One of the first reports, carried by *UP* from Nanking, said that "order has been restored in Taipei," following one of the bloodiest uprising in the course of which about 3,500 persons were killed in "two days of terror."

The following day, *Central News* denied this figure, saying that only 400 Chinese from the mainland, mainly public functionaries, and members of their families, were killed or wounded. About 100 Taiwanese were also killed.

A further report said that an agreement was reached by the Taiwan Government and the people's representatives to put an end to the recent wave of turbulence.

Among the main reasons for the uprising were said to be the confiscation of property and possessions from the Taiwanese by Chinese soldiers and officials and charges that the Chinese administration there was "a corrupt bureaucracy whose monopolistic control of industry and commerce was strangling the once prosperous productive island."

UNRRA Approves Cotton For China

THE UNRRA Central Committee in Washington approved a US$5,000,000 Chinese "open market" cotton sale program, after a three-hour secret session to consider the proposal which the Chinese Government "tacitly admits is designed to bolster China's economy." An UNRRA official said he doubted that shipments could be made soon because of the state of UNRRA's finances. The allocation was made subject to the requirement that 10 percent of the cloth manufactured and five percent of the cotton be given directly to the poor for use as padding in winter clothing.

Government Broadened.

THE Chinese government issued a mandate appointing 81 third party representatives to the Legislative Yuan, the Control Yuan, and the PPC, according to some observers, "marking the beginning of the end of the Kuomintang's 20-year old rule of China." Other quarters opined that with the reorganization of the Executive Yuan and the State Council, expected at the end of the month, the end of the Kuomintang period of political tutelage would come to an end.

No More CIO Funds

The Congress of Industrial Organizations, which since 1942 had sponsored in China 89 projects with a total of US$2,500,000,000, has decided to discontinue channeling relief funds for China through the Chinese Association of Labor. The decision was taken in view of the seizure and subsequent reorganization of the Chinese Association of Labor by the Government.

A CIO investigation absolved the labor body of Government charges of misappropriation of CIO funds.

Nathaniel Peffer, professor of international relations at Columbia University, who recently visited China, said in New York that further American aid to China at the present stage would only tend to prolong the civil war. He said that a loan of US$500,000,000 would only be squandered in fighting and a year from now "we shall be in exactly the same position."

Fighting In Manchuria

REPORTS arriving from the Northeast indicated that the Communists were threatening Changchun and Kirin. The Reds were said to have advanced to within seven miles of Changchun and the Nationalists have evacuated their air force from the Changchun airfield to Szepingkai. At Kirin, the governor told newsmen that the city could hold out for 15 days without reinforcements.

The Reds were beseiging Tehhui, 50 miles northeast of Changchun.

Two days later, the Nationalists started to counter attack and by mid-week claimed to have annihilated 20,000 Communist troops in a pincer movement in the battle for Tehhui.

By the end of the week, the Government drive in Manchuria was reported advancing, with the Reds being pursued in "seven directions." The spring offensive of the Communists was thus reportedly shattered.

In Shantung, where the battle was reported entering the decisive stage, Tsinan was threatened by the Reds and martial law was declared in the city, with the Communist vanguards reportedly entering the outskirts of the city.

Reds To Be Crushed?

The Peiping Pacification Conference of top-ranking generals in North China and Manchuria, has decided to crush the Communists on all fronts within this year, *AP* reported from Nanking.

Earlier, the Yenan *Emancipation Daily*, analyzing the civil war, declared that there was a basic change in the situation since last November: "A change from withdrawal before advance of Chiang Kai-shek troops, to see-saw warfare." The paper predicted a steady "advance of people's liberation armies to recover lost territory," in the not too distant future.

Communist troops south of the Sungari River have been cleared with the exception of a small number of cavalrymen left behind the retreating armies, *Central News* reported from Nanking. As the result of the Government "counter offensive, "all points south of the Sungari have been recaptured. At some points, Government units crossed the river in pursuit of the Communists, the report said.

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The Democratic League has been requested by Communist General Chou En-lai to take care of the Communist properties—including buildings, furniture, transport vehicles, etc.,—in Government controlled areas. This arrangement has not yet been approved by the Central Government. Lawyers will be appointed soon for the purpose of compiling an inventory of all Communist properties.

* * *

Chinese officials are to leave for Japan shortly to assist in settling Japanese reparations questions, the *Hsin Min Pao* reported. The paper said that preparations have been completed by the Government for the transportation of Japanese reparation supplies to China. It is estimated that five months will be required to move these supplies here. Included in the list are naval, army, as well as civilian arsenals, aircraft plants, docks and generators.

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The Hongkong Government has decided to impose income tax, the *South China Morning Post* said. The scale will probably be higher than the 14 percent war tax assessed in 1941.

What U.S. Papers Say . . .

EDITORIAL comment in the United States on China was largely concerned with the resignation of Premier T. V. Soong. In addition, the *New York Herald Tribune* carried an interesting commentary on the Generalissimo's military policy, and the *Kalamazoo Gazette* speculated upon Ambassador Stuart's analysis of China's ills.

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RESIGNATION

THE consensus of opinion on the subject of T. V. Soong's resignation seems to be that the ex-Premier was the victim of circumstances, or even the scapegoat of a desperate party.

The *Baltimore Sun* declared that the "resignation of T. V. Soong.... is not surprising....Soong's request for American goods via UNRRA was a last gamble on getting American economic support for Chiang's all-out war on the Communists.... The task set for Soong—postwar restoration of China's economy—was at the base impossible because of the determination of both sides to fight to victory in China through civil war.... Assumption by the Generalissimo of Soong's position as premier is a sign....of the fixity of Chiang's intention.... to crush the Communists, no matter what the consequences to China's economy....

"The necesity for Soong's resignation is also a sign of the determination inherent in the Marshal policy not to contribute to China's civil war but to insist that the cure of China's economic plight lies essentially in a destruction of the obstacles to trade caused by the civil war. The inevitable obverse is that the civil war must be ended before anything can be done to help the economic situation."

According to the *New York Times*, "A great national crisis usually turns up a scapegoat to assume the sins of a nation itself. China.... has apparently selected Premier T. V. Soong.... Events he could not control have finally forced him out of office.... Soong's resignation.... he is apparently eager to seize to gives Chiang a double opportunity clear himself of the charge of nepotism and broaden the base of his Government. He can now invite new liberal blood into his cabinet and has just added 50 seats to the 99-man constitutional legislature, most of them assigned to the liberal Young China and Democratic Socialist parties and to non-partisan elements. Thus, he is meeting the demand to liberalize his Government made by General Marshal....

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MILITARY STRATEGY

GENERALISSIMO Chiang Kai-shek seems to be committing his government to a daring gamble according to the *New York Herald Tribune*. "He is stripping southern and western China of troops so that he can throw the Government's full military strength against the Communists in the north.

"The Generalissimo apparently believes that by using all the available power he can destroy the Red regimes in the areas from the Shantung peninsula to the province of Shense before his withdrawal of troops from the other regions results in disaster."

The editorial continues: "He must be convinced that the campaign against the Communists will not be a long one. Otherwise, he would not dare to strip the southern and western provinces of Government soldiers. The economic condition of these provinces is bad and growing worse, which is likely to result in a peasants' revolt, in banditry, in the rise of new warlords and even in the appearance of new centers of Communist propaganda.

"In the opinion of many authorities in China, one of the great needs of the Nanking Government is not so much to bring force to bear against the Communists as to convince the peasants that it will produce living conditons as good or better than those offered by Red regimes. Weapons other than guns—such weapons as local democracy and moderate agrarian reform—could be used to great advantage in saving China from Communist control. The Chinese Government needs more officials who are interested in filling rice bowls and fewer who are interested in collecting rents.

"With no troops of the first quality to deal with such developments there may be serious disorders in southern and western China within the next few months."

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STUART'S STATEMENT

THE *Kalamazoo Gazette* (Michigan), concerned itself with Ambassador J. Leighton Stuart's comment to the effect that "the real enemies of China are illiteracy, poverty, disease, exploitation of public office for private gain and narrow and ruthless partisan bigotry." According to this editorial, "the ambassador ought to be in a position to know whereof he speaks and it must be admitted that his quoted comment is not too far out of line with some of the things eminent George C. Marshall said just before he relinquished his post as patient but unsuccessful peace-making envoy in China...."

"Perhaps it will be argued that the advance of democracy in China is bound to be severely retarded by the very illiteracy and poverty and disease of which the ambassador speaks. But it may be said with at least equal truth that illiteracy and poverty and disease can't be eliminated from a nation like China unless and until there is a good deal more democracy than there appears to be in the conduct of that nation's affairs. Surely, the 'exploitation of public office for private gain' and 'narorw and ruthless partisan bigotry' to which our ambassador refers will have to be reduced considerably before any important progress against the other evils mentioned can be expected."

Business Foot-Notes

The Labor Department of the United States announced that the purchasing power of the American dollar dropped 15 percent last year, and, if compared with 1941, today will buy goods and services worth only 66 cents in January of that prewar year.

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For the first time since the institution of the new economic measures, a local Chinese court ruled that old debts in American currency are to be repaid in Chinese national dollars, at the official exchange rate of CNC$12,000. The case involved a debt of US$1,300, the *Sin Wan Pao* reported.

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A comprehensive plan has been drawn up by the railway administration to double-track the Nanking-Shanghai Railway, which will also involve the erection of godowns and other installations along the route. The plan will be carried out in a number of stages and construction expenditure for the first six months is estimated to total CNC$30,000,000,000, the *Chien Hsien Jih Pao*.

* * *

The Chinese Government has decided to temporarily cease the issuance of passports to Chinese citizens, with the exception of oversea residents returning to their place of origin, in order to prevent the exodus of foreign currency. Measures are being drafted for the granting of passports to merchants and students.

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The rejection of the proposal to amend the Philippine Constituion to grant equal rights to Americans in the islands, would meet with "resentment" from the Republican majority now controling Congress, Brig. General Carlos P. Romulo, Philippine representative to the United Nations, warned in Manila last week. Known as the "parity amendment" the proposal would allow the Americans the same rights as the Filipinos in the exploitation of the natural resources and the operation of public utilities. A national plebiscite will be held to decide the issue.

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The Government is contemplating the organization of a Shanghai Steel and Iron Company in conjunction with local steel and iron industrial circles, the *Wen Wei Pao* reported. The proposed concern will handle the transportation and sale of steel and iron products as well as utensils imported from abroad.

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The Taiwan Cement Factory, established by the Natural Resources Commission, for Taiwan Province, was inaugurated in Nanking last week and a resolution was passed for the production of 150,000 tons of cement for the current year. Machinery will be ordered from the United States.

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Customs revenue for 1947 will total CNC$550,000,000,000, according to estimates by the *Sin Wan Pao*. Total revenue for 1946 was reported at CNC$335,000,000,000.

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Rice prices in Hongkong registered a 100 percent increase within the last fortnight, and at present rice prices are at least 50 percent higher than in Canton. Authoritative sources attributed this rise to shortage of stocks, export embargoes from China, and Macao, and non-arrival of shipments from Siam and Indo-China.

What Chinese Papers Say...

THE resignation of Dr. T. V. Soong from the premiership aroused considerable comment among Chinese papers. While most of them were pleased by the development, many pointed out that full responsibility for the present economic crisis could not be laid at Dr. Soong's door. They also pointed out that his successor would have to cope with the same difficult problems.

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RESIGNATION

MOST Chinese editorial opinion was inclined to emphasize the fact that T. V. Soong cannot be held solely responsible for the economic crisis which has overtaken China. However, there was an inclination to applaud his resignation as an indication of the government's intention to reform, and as a concession to public opinion.

A short comment in the *Ta Kung Pao* dealt with the ex-premier more severely than most:

"The resignation of Dr. T. V. Soong, as President of the Executive Yuan, has now been accepted. This development had long been a possibility, but it is only a matter that concerns the quitting or staying on of an individual, and is still far from the overall reorganization of the Government as conceived by the people.

"Formerly, Dr. Soong enjoyed a very good reputation in financial circles, and at the time he assumed the post, people both at home and abroad had great expectations of him. But now, only a short time since then, he has had to quit his job in an embarrassing manner. While it is true that this has been due to the prolongation of the civil war, so that he is unable to carry on, yet, his way of doing things is dictatorial, and he seldom takes the advice of other people, so that he has offended society. This is also one of the main reasons why he has had to quit."

The *Tung Nan Jih Pao* (KMT) felt that T. V. Soong was at fault for his commercialism; his over-emphasis on money; his belief in government run industries as a cure-all; the advantages taken by his subordinates of their positions; for the hardships his policy worked upon the middle class; and his unwillingness to respect the views of industrial and commercial circles and of the press. The paper felt that the premier's resignation represented a victory for public opinion, and was a step in the right direction towards government reorganization.

In exonerating T. V. Soong of the entire blame for the total economic collapse which threatens, the *Wen Wei Pao* (Liberal-Leftist) foresaw that his successor would be unable to prevent the crisis from deepening. According to this paper, Dr. Soong during his years of office put too much emphasis upon financing military expenditures, without attending properly to the country's economic rehabilitation. However, it does not hold Soong alone responsible for this mistake. Seeing the problem as solely one of ending the civil war, the paper considers the resignation of T. V. Soong to be "somewhat pitiable."

According to the *Cheng Yen Pao*, Soong's resignation has indicated the failure of previous financial and economic policies, which will have to be revised completely. The paper considers this step to be a forecast of an all-round governmental reorganization.

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INTERVENTION

ON the international front, Chinese papers were particularly concerned with the possibility of international interference in China's internal affairs, which has been anticipated widely in connection with the coming Foreign Ministers' Conference in Moscow.

According to the *Sin Wen Pao*, China has slipped from her wartime position as the fourth greatest power in the world to that of a nation "whose destiny is decided by others". While the paper does not consider that the "absurd proposal" of international intervention can possibly arise at the forthcoming Foreign Ministers' Conference, it hopes that China can win a place on that occasion comparable to that which she held at the Paris Conference. To this purpose "ambitious elements" within the country must lay down their arms, and the Government must lose no time in improving economic and political conditions within the country, in order that other nations may have a new opinion of China.

The *Wen Wei Pao* maintains that the withdrawal of the United States as mediator in China is due not only to public opinion in China, but also to the fact that the Soviet Union has never extended aid to the Chinese Communists, and still they are able to fight. The paper opines that as continued U.S. aid to the Chinese Government can only increase the suffering of the Chinese people, the United States and Soviet Russia can do nothing at the Foreign Ministers' Conference in regard to China but express the hope each that the other will not interfere with the Chinese civil war. However, the paper continues, it is possible that certain bellicose elements in China will not welcome such mutual assurances, because without American aid they cannot survive. For this reason they oppose any discussion of China at the Foreign Ministers' Conference. In this connection certain Kuomintang controlled papers have warned Dr. Wang not to "make concessions in addition to those stipulated in the Sino-Soviet Treaty". *Wen Wei Pao* concludes from this that Minister Wang may purposely express to the Soviet Union his earnest desire to break the deadlock in the Northeastern issue, so as to find out the reactions of the United Sates, hoping thereby to strengthen the United States' determination to continue to assist the Chinese Government.

Who's Who in China

GEN. LI PING-HSIEN, army officer and Government official, Chairman of Anhwei Provincial Government; graduated with the first class from Paoting Military Academy; after serving in the

General Li Ping-hsien

(李品仙字鶴齡)

army as platoon leader, battalion commander, regimental commander and brigade commander, participated in Northern Punitive Expedition as commander of 8th Army and concurrently director of Peace Preservation Headquarters, Hankow, 1927; appointed commander-in-chief of 12th Route Army, and succeeded in mopping up the troops of Chang Chun-chan and Chu Yu-pu, 1928; returned to Kweilin, became commander of 8th Army and dean of Nanning Branch, Central Military Academy; commissioner of Border Defense of Kwangsi province; chief of staff, 4th Group Army; upon outbreak of Sino-Japanese War, fought against Japs at Shanghai, Taierhchuang, Hsiangyang and Fanchien as commander-in-chief of 5th War Zone; appointed Chairman of Anhwei Provincial Government in 1939; promoted commander-in-chief of 10th War Zone, 1944-46; Director of Anhwei Provincial Kuomintang Headquarters; author of "Collection of General Li Ping-hsien's Speeches" and Essays on Anhwei Province, published in press; address: c/o Anhwei Provincial Government, Anking, Anhwei.

The Bank of China and the Bank of Communications are to be "nationalized," according to the *Fei Pao*. The Government possessed 50 percent of the shares of both banks prior to the war, but during the war increased its share by another 30 percent. It is now rumored that both banks will be bought by the state and this has caused the shares of both financial institutions to rise on the market. The *Fei Pao* sees as the only difficulty the evaluation of the price of the commercial shares.

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The total value of government operated factories to be sold to the public is about CNC$2,500,000,000,000. Ten Hanliang, head of the Commercial Department of the Ministry of Economic Affairs, said that if each spindle of the China Textile Development Corporation is valued at US$50, and all the buildings and equipment taken into account, the 1,700,000 spindles will go for US$130,000,000, with only the spindles worth at least US$85,000,000 or CNC$1,000,000,000,000, the *Sin Wan Pao* reported.

NEW BOOKS OF INTEREST

Empire-Builder

RAFFLES OF SINGAPORE, *a Biography, by Emily Hahn. Published by Doubleday and Company, Inc., Garden City, New York*, 1946. 544 *pp.*, US$3.50. *Reviewed by Donald Roberts.*

THIS is a leisurely biography that Miss Emily Hahn has written of the founder of Singapore, full of events, anecdotes, comments such as a Dickens or a Thackeray might enjoy bringing into his narrative. Miss Hahn has clearly given thought to the British empire today, and the story of Singapore and of its founder seemed worthy of a generous-sized book. Besides, her husband, Major Boxer, was able to help her a great deal with Dutch material about the Indonesia of more than a century ago, and this itself gives an original value to her treatment. But the distinguishing characteristic of the book is that it interprets Raffles in terms of the experience of the foreigner in Eastern Asia today. "What is happening today in Java," writes Miss Hahn, "has a definite relationship with the past in which he played so large a part."

Thomas Stamford Raffles started as a clerk in the India House, London. He married a widow who had lived in India; he was sent to Penang where in 1809 he was governor; he learned the Malay language, insomuch that the average Briton, says Miss Hahn, "when he goes out to live in Singapore or Kuala Lumpur, is still affected by Raffles' example."

Raffles wrote a report which saved Malacca from being given up and its population moved away. Here his career really began, for Lord Minto, governor-general of India, reading the report, knew he had an able administrator to use. The two men together undertook to oust from Java the French, who during the Napoleonic period occupied that Dutch colony. This they accomplished with an expedition of 11,000 troops.

The flagship was commanded by Captain George Elliot, Lord Minto's son, none other than the George Elliot who long afterward, in 1840, joined his cousin Captain Charles Elliot at Hongkong as commissioner during the First Anglo-Chinese War. Java was taken—this was in 1811—and Raffles became administrator. He ended slavery and made other philanthropic reforms. But his attempt to remove a valueless paper currency from the market and replace it with a better circulating medium, brought criticism upon him and he was transferred to Bencoolen, a shabby place where on the day before his arrival an earthquake destroyed all the buildings. His currency reform had been accomplished by the sale of public lands. "The delicate point," says Miss Hahn, "was not so much that Raffles sold the land as that he bought it too."

What might have been a low point became a high water mark in his career, whereby he changed British foreign policy in Eastern Asia—a change of which the ending of the East India Company monopoly in China in 1834 was an instance. Against the orders of the East India Company (which had already wished to give up Malacca) he founded Singapore —"the best thing," says Miss Hahn, "that Great Britain did for herself in the entire century." It was the time for empire building, and Canning in the foreign office was persuaded wholly of the value of Raffles' advice, for the safeguarding of the passage to China. So Raffles allotted the lands, laid out the towns, the botanical gardens, and the zoo. Singapore was of his making; this was his crowning work.

He had other projects too. One of the most lively of Miss Hahn's chapters is on his "Japan project," whereby Raffles hoped to obtain the right to trade at Deshima under cover of the fact that Britain now occupied the Dutch islands; for the Dutch and Chinese then traded only at Deshima. The East India Company gave but little encouragement; nevertheless two ships sailed. One carried a Siamese white elephant as a present for the Shogun; but in Nagasaki harbor it was found impossible to unload the animal from the ship; a white elephant indeed, Miss Hahn remarks.

Yes, this is a readable and informing book.

Economic Hub

GERMANY *Nation or No-Man's-land by James P. Warburg. Headline Series, Foreign Policy Association, No. 60. November-December*, 1946, 64 *pp.*, US$0.35. *Reviewed by Urii Sdobnikov.*

A VERY opportune booklet is this concise work on the problems the Allies are at present encountering in Germany with the drafting of the peace treaty. This little book was printed at the time the Paris Peace Conference was in the act of preparing to deliberate on the satellite peace treaties and in anticipation of the major European problem—the setting of Germany on the peace path.

The booklet briefly and simply poses the most important questions which must be solved before the German people can actually begin to work in a peaceful atmosphere. As the Economic Hub of Europe that Germany was before the war, the problems of economic reconstruction loom large before the trearty makers, unless, as the author says, the German people are "utterly destroyed and their lands totally divided." Inasmuch as this does not appear to be the aim of any of the powers the entire solution lies not only in making Germany a peaceful nation but also in the harnessing of its natural resources, the skill and energy of a new German people "in the best interests of Europe and the world."

The author gives a rapid outline of the pre-history of Nazism which has led the country to destruction and defeat, deals briefly with the measures already effected by the four occupying powers, the state of denazification and the general management of the zones.

Among other things, the author advocates the return to Germany of part of the eastern agricultural regions now considered Polish territory. Industrial Upper Silesia, however, he would let Poland retain.

There are various charts showing the set-up of provisional local governments in the four zones, the volume of trade between the zones, and mineral mined at present as compared to prewar figures.

Streamlined

THE WINSTON DICTIONARY, *College Edition, edited and revised by the Winston Dictionary Staff. Published by The John C. Winston Company, Los Angeles*, 1946. 1,200 *pp. Reviewed by Y. F. Soo.*

THE latest word in the realm of dictionaries has just reached Shanghai, in the form of the college edition of the Winston Dictionary and, as the publishers say, it is designed for the development of accuracy of thought and facility of expression, inasmuch as the authors believe that the aversion most people have toward dictionaries lies not so much in the people themselves as in the way dictionaries are manufactured and presented to the reader.

The Winston boasts of simplicity and accuracy of definitions, which is arrived at by the use, in definitions, only of words in common use, meaning that duckbill is not explained by ornithorhynchus, but the other way around. In cases where words pertain to abstruse and involved subjects the tendency evident in most dictionaries to let the reader off with a number of seven-syllable words is eliminated to a minimum by clarifying explanations within the definition itself.

Facility of use is enhanced by the letter index and the fact that each main entry is printed in clear, bold-faced type of outstanding size, and is therefore non-elusive and facile to perceive. Moreover, words like calends and kalends, which mean the same thing but are spelled in different ways, are both inserted together, thus doing away with the irritating trivialities such as are often expressed elsewhere as follows: kalends: see calends, and force the amateur researcher to page back through half the alphabet.

The dictionary has a voluminous appendix where charts, maps, tables and other information facilities are provided, including a concise world atlas. There are also more than 3,000 illustrations and colored plates on various subjects such as birds, insects, arms and armor, costume flowers and others.

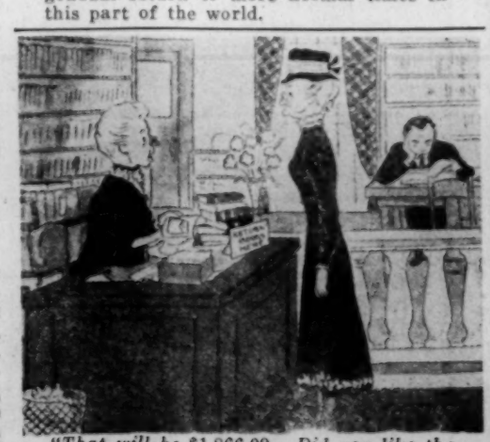
Farewell

THE SHANGHAI EVENING POST AND MERCURY *American Edition, Final Edition in New York, December* 27, 1946.

"THE American Edition of the *Shanghai Evening Post* was a product of the war. Like many other war activities it created friends and loyalty. At one period, something over 6,000 readers rallied around the *Post* to glean and exchange information about the Far East, their families or friends beleaguered there," wrote Cornelius V. Starr, the *Post's* publisher, in the final issue of the paper which has just come to hand.

The discontinuance of the *Post's* American counterpart has caused regret and some protest on the part of its faithful readers who will henceforth have to rely on fragmentary coverage of China news. The *Post* has gone back to Shanghai and expects to see most of its readers in this city, sooner or later. A news service for Old China Hands will be maintained, however, in New York.

The negative significance of the discontinuance of the *Post's* publication in the United States is to some extent overshadowed by the fact that it signifies a gradual return to more normal times in this part of the world.



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New York Times

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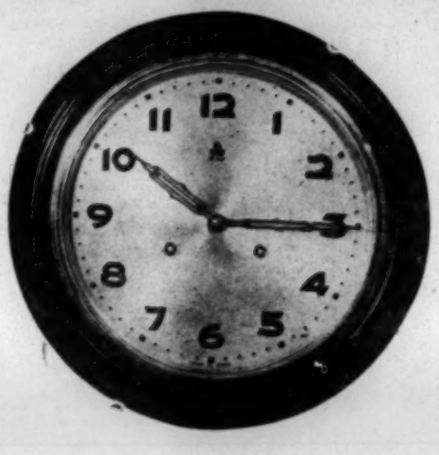

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NANKING-SHANGHAI LINE

TIME TABLE

4	6	8	2	10	12	72	82	84	TRAIN NO.	1	5	7	3	9	11	71	81	83
I, II Exp.	I, II III Exp.	I, II Exp.	I, II N'king Excur. Throu. Exp.	I, II III Night Exp.	I, II Night Exp.	I Wusih Excur.	I Wusih Excur.	I Wusih Excur	STATIONS	I, II H'chow Excur Throu Exp	I, II III Exp.	I, II Exp.	I, II Exp.	I, II III Night Exp.	I, II Night Exp.	I Wusih Excur	I Wusih Excur	I Wusih Excur.
7.00	9.00	11.09	13.30	21.50	23.00	17.15	6.40	20.30	D SHANGHAI NORTH A	14.45	16.25	19.30	22.45	6.35	8.00	13.05	23.55	18.40
	10.16	12.14		23.23					D KUNSHAN D		15.24	18.15		5.28				
8.41	10.57	13.07	15.17	0.20	1.06	19.09	8.26	22.31	A SOOCHOW D	13.06	14.33	17.29	21.06	4.39	5.39	11.12	21.52	16.40
8.48	11.06	13.04	15.26	0.27	1.13	19.16	8.31	22.38	D SOOCHOW A	12.59	14.19	17.21	20.58	4.32	5.19	11.06	21.46	16.51
9.36	11.54	13.55	16.14	1.22	2.08	20.05	9.25	23.30	A WUSIH D	12 11	13.24	16.27	20.10	3.39	4.26	10.15	20.55	15.40
9.42	12.06	14.02	16.23	1.29	2.15				D WUSIH A	12.04	13.18	16.21	20.03	3.33	4.19			
10.31	12.59	15.01	17.09	2.27	3.13				A CHANGCHOW D	11.17	12.22	15.20	19.16	2.35	3.30			
10.40	13.08	15.15	17.19	2.37	3.25	Suspended on Sunday	Run on Sunday	Run on Sunday	D CHANGCHOW A	11.06	12.09	15.08	19.06	2.24	3.20	Suspended on Sunday	Run on Saturday	Run on Sunday
11.38	14.00	16.13		3.56	4.29				A TANYANG D		11.09	14.05	18.12	1.07	2.03			
11.41	14.03	16.17		4.00	4.33				D TANYANG A		11.05	13.55	18.03	1.02	2.00			
12.18	14.40	17.01	18.46	4.46	5.18				A CHINKIANG D	9.32	10.28	13.07	17.23	0.09	1.07			
12.25	14.45	17.17	18.53	4.55	5.27				D WEST A	9.24	10.21	12.59	17.15	23.56	1.00			
13.55	16.10	18.50	20.20	6.30	7.15				A NANKING D	8.00	9.00	11.00	15.45	22.00	23.00			

FARE LIST

STATIONS	Kilo.	I Class Ordinary Express		II Class Ordinary Express		III Class Ordinary Express		"Triumph" Express, Nanking & Hangchow Excursion Through Expresses I	"Triumph" Express, Nanking & Hangchow Excursion Through Expresses II	"Tai Hu" Excursion
SHANGHAI N. TO:—										
KUNSHAN	52	4,000.	10,000.	2,000.	5,000.	1,000.	2,500.			
SOOCHOW	87	8,000.	10,000.	4,000.	5,000.	2,000.	2,500.	19,500.	10,500.	20,000.
WUSIH	129	10,000.	12,000.	5,000.	6,000.	2,500.	3,000.	19,500.	10,500.	20,000.
CHANGCHOW	168	14,000.	16,000.	7,000.	8,000.	3,500.	4,000.	19,500.	10,500.	
TANYANG	213	16,000.	20,000.	8,000.	10,000.	4,000.	5,000.	30,000.	16,500.	
CHINKIANG WEST	243	18,000.	22,000.	9,000.	11,000.	4,500.	5,500.	30,000.	16,500.	
NANKING	312	24,000.	28,000.	12,000.	14,000.	6,000.	7,000.	30,000.	16,500.	

SHANGHAI-HANGCHOW LINE

TIME TABLE

23	21	61	67	25	1	41	TRAIN NO.	92	42	2	68	26	22	62	94
I, II III Exp.	West Lake Throu.	II III Local	IV Mixed	I, II III Exp.	I, II H'chow Throu. Exp.	II, III Ord.	STATIONS	I, II III Local Exp.	II, III Ord.	I, II N'king Throu. Exp.	IV Mixed	I, II III Exp.	West Lake Excur.	II, III, IV Ord.	I, II III Local Exp.
6.45	8.00	8.15		11.30	16.00	16.15	D SHANGHAI NORTH A	9.15	12.15	12.35		18.55	20.05	22.30	
7.05	8.16	8.36	9.00	11.53	16.19	16.36	D SHANGHAI WEST D	8.58	11.55	12.20	17.20	18.37	19.49	22.13	
7.49		9.46	10.29	12.38	17.03	17.46	A SUNGKIANG D	7.51	10.44	11.26	15.29	17.48		21.00	
7.54		9.56	10.40	12.43	17.08	17.51	D SUNGKIANG A	7.47	10.38	11.21	15.22	17.39		20.54	
9.02	10.02	11.40	12.50	13.50	18.16	19.23	A KASHING D	6.35	9.04	10.13	13.10	16.20	17.54	19.25	
9.16	10.08	11.50	13.15	13.58	18.26	19.33	D KASHING A		8.55	10.04	12.45	16.11	17.47	19.12	20.50
10.00		12.33	14.52	14.32	19.01	20.16	D YEHZAH D		8.14	9.31	11.53	15.39		18.29	20.18
10.31		13.18	15.56	15.04	19.32	21.01	A CHANGAN- D		7.27	8.58	10.40	15.06		17.42	19.34
10.36		13.26	16.10	15.11	19.37	21.06	D TSENG A		7.22	8.54	10.27	15.02		17.37	19.27
11.30	11.55	14.45	18.10	16.20	20.30	22.20	A HANGCHOW D		6.10	8.00	8.30	14.00	16.00	16.25	18.25

FARE LIST

STATIONS	Kilo.	I Class Ordinary Express		II Class Ordinary Express		III Class Ordinary Express		"Triumph" Express, Nanking & Hangchow Excursion Through Expresses I	"Triumph" Express, Nanking & Hangchow Excursion Through Expresses II	"West Lake" Excursion
SHANGHAI N. TO:—										
SUNGKIANG	45	4,000.	10,000.	2,000.	5,000.	1,000.	2,500.	19,500.	10,500.	
KASHING	99	8,000.	10,000.	4,000.	5,000.	2,000.	2,500.	19,500.	10,500.	15,000.
YEHZAH	126	10,000.	12,000.	5,000.	6,000.	2,500.	3,000.	19,500.	10,500.	
CHANGANTSENG	151	12,000.	14,000.	6,000.	7,000.	3,000.	3,500.	19,500.	10,500.	
HANGCHOW	190	14,000.	18,000.	7,000.	9,000.	3,500.	4,500.	19,500.	10,500.	25,000.

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